The New REPUBLIC

A Journal of Opinion

VOL. LXXXXIII NEW YORK, WEDNESDAY, JANUARY 19, 1938 NUMBER 1207

Contents

The Week 293

Editorials

Again—The Trust Problem 295
Would a Boycott Stop Japan? 296

General Articles .....

The Attack on the NLRB ..... Leo Huberman 298
What America Could Do to Japan ..... Lin Yutang 301
What to Do About Taxes: III ..... Harold M. Groves 303
Mine Eyes May Behold ..... Charles A. Beard 306
Shoot the Works ..... Heywood Broun 307
Washington Notes ..... T. R. B. 308
Other People's Money ..... John T. Flynn 309
The Mercury and London ..... Stark Young 310
History and a Musical ..... Otis Ferguson 311
The Bandwagon 312

Correspondence 312

Books in Review

Mr. Huxley's New Jerusalem ..... Malcolm Cowley 315
The High Price of Peace ..... W. T. Stone 316
Glamor Girl ..... B. E. Bettinger 317
Working Players ..... Stark Young 317
Religion and Society ..... Melville J. Herskovits 317
International Exhibit ..... Richard Vaughan 318
—And Other Fiction .....
..... Miriam Borgenicht and Strauss Winkler 318
Books in Brief 319
New Books: A Reader's List 320

If Japan Declares War

It is reported from Tokyo that Chiang Kai-shek has flatly rejected a peace offer from Japan, and that in consequence the Japanese government is about to decide to push the war to a finish. This would probably involve a formal declaration of war, in order to enable Japan to enforce a complete blockade of the Chinese coast and prevent the import of all war materials. This immediately raises crucial questions of policy both for the United States and Britain. A formal war declaration would make compulsory the application of our Neutrality Act. An effective blockade would require the cutting off of Hongkong, in which there are large British interests. No doubt there would be pressure in both countries for opposition to the Japanese action and for the abandonment of neutrality. In our case, the President might ask Congress to amend or repeal the Neutrality Act, and the British government might protest against interference with her Hongkong trade. A legal case might be made out against the blockade on the ground that the war itself is illegal, being a violation of Japanese commitments.

But we should remember that the Japanese navy is capable of maintaining a blockade, in the face of any possible interference either from our navy or from the British. Our neutrality law would not therefore deprive the Chinese of any war materials that they could get from us if that law were not in effect. On the other hand, by extending its cash-and-carry provisions to essential war materials like oil and steel, the President could both guard against incidents arising out of attempts to run the blockade and restrict the aid that we now are giving to Japan.

The New Year in Spain

The Teruel campaign seems to be ending as a greater victory for the Loyalists than had at first seemed probable. They have lost some of the territory captured in the first few days of their advance, but Franco has lost face—and that is something a Fascist dictator cannot afford to lose. After making a ferocious counter-attack on New Year's Eve—after announcing through the egregious Bill Carney of The New York Times that Teruel was retaken and the garrison rescued amid scenes of "indescribable enthusiasm"—his generals had to stop on Grindstone Hill, three miles from the city, and watch and squirm and make vain lunges while the garrison finally surrendered. It is heartening to learn that the besieged fascists decided to save their lives instead of fighting on till death or rescue, as in Oviedo and the Alcazar. That may be a sign of the weariness which (on one side or the other) will finally end the war. The Loyalists took 6,200 prisoners in Teruel City, including the Insurgent governor of the province, the military commander, two colonels (the rank of colonel is high in Spain, where majors sometimes command divisions), sixty assorted officers and the Bishop of Teruel, who may later be useful as a negotiator. They scotched that famous win-the-war offensive which Franco is still going to open "some day soon." But of course they did nothing to weaken Quiepo de Llano, who rules the Insurgent South as a half-independent satrapy and who, with Italian help, is likely to launch a campaign against Almeria. There were few or no Italians fighting at Teruel.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Country Wants Peace

Defeat of the motion to vote on the Ludlow resolution in the House of Representatives safeguards the President's power to employ the threat of war in the conduct of our foreign affairs; but the manner of its defeat and the nature of the vote give striking evidence of the strength of peace sentiment in the country. The count was 209 to 188; thus a shift of eleven votes would have changed the result. Yet fifty-five Congressmen, fifty-two of whom were Democrats, who voted against the motion had previously signed the petition to bring it on the floor. It may be assumed that most of them changed their position in response to the pressure exerted by the President's letter to Speaker Bankhead. This letter, expressing strong opposition, was an unusual resort for any President in defeating undesired legislation; in this case it carried peculiar force because of the reluctance of Congressmen to appear unpatriotic in the matter of supporting the President in foreign affairs. Both parties were split in the vote; among those who favored the resolution were not only the majority of progressive Republicans and Democrats, but the entire delegation of eight Progressives from Wisconsin and the five Farmer-Laborites. It can safely be said that the masses of the people throughout the country who favor Mr. Roosevelt's social program are opposed to participation in any war on foreign soil. The split in liberal ranks on this question is largely among the intellectuals.

Mr. Justice Sutherland Retires

Mr. Justice Sutherland has retired from the United States Supreme Court, and the President has his second chance to nominate to the highest tribunal a man whose ideas are somewhat more in accord with those of the New Deal and, elsewhere, the country as a whole. Washington reports say that several other Justices are likely to retire soon, including members of both the liberal and conservative wings. The Court which for four long years overthrew almost every important piece of legislation enacted during the Roosevelt administration no longer exists. From any standpoint that seems to us to deserve consideration, this is good news of the first importance. It is an extremely difficult task, however, for the President to choose nominees who both are competent for the job and can be relied upon to retain a progressive attitude toward economic and social problems—as is illustrated by the fact that the most reactionary member of the Court, Mr. Justice McReynolds, was appointed by Woodrow Wilson. The responsibility facing Mr. Roosevelt is a heavy one.

The Big Money

The names and salaries of persons receiving incomes of more than $15,000 a year from corporations have been published at considerable length in the press. The figures, of course, are only a rough indication in many cases of the income any given individual has received during the year. The figures represent only the "salary, commission or bonus" the corporation has paid him in return for personal services; they do not include the money he may have obtained as rent, interest or dividends. The General Motors Company, the figures show, has a pretty firm domination of the top of the list. Alfred P. Sloan Jr., with $561,311, ranked first, and Vice-President William S. Knudsen was second. Out of the sixteen salaries of more than $300,000, nine went to officials of General Motors. Gary Cooper's salary of $370,214 was the largest paid to any member of the entertainment world, although Ronald Colman, Claudette Colbert and Mae West followed close on his heels. There were few women on the list of the high-salaried business executives. Lillian S. Dodge of Harriet Hubbard Ayer, Inc., with a listing of $100,000, led all the other business women. For the first time this list failed to include the name of the publisher William Randolph Hearst.

Carney, Matthews and The Times

We have a good deal of sympathy for the editors of The New York Times these days. They have two correspondents reporting on the Spanish war, William P. Carney with the Rebels, and Herbert L. Matthews with the Loyalists, and they get a steady stream of objection to the work of these two reporters. Sympathizers with the Rebels, mostly American Catholics, complain bitterly that Mr. Matthews' dispatches are pro-government, and supporters of the Loyalists complain that Mr. Carney is too strongly pro-Rebel. Each side wants the other correspondent suppressed, though each would complain even louder if such an order were enforced against its own favorite.

To a certain extent, such a conflict as this is inevitable. Both Loyalists and Rebels exert a drastic censorship, and the best of correspondents must "slant" his news somewhat, in order to get it out of the country at all. Moreover, every human being takes color from those with whom he is surrounded day after day, and it is almost impossible for a reporter, attached to any army, not to be gradually influenced in its favor. He is himself subject to the combination of censorship and propaganda that is effective with the population as a whole.

The real test of a reporter's efficiency can only be made in retrospect, by judging the quality of his past work. If you will read the dispatches of Messrs. Matthews and Carney for the past eighteen months, the balance swings overwhelmingly in favor of the former. Singularly few of Mr. Matthews' dispatches, no matter under what difficulties they were written, have turned out to be false. Mr. Carney, on the contrary, has an astonishingly bad record of repeatedly announcing Rebel victories that never took place, ranging all the way from his famous capture of Madrid a year ago (which didn't happen) down to the retaking of Teruel last fortnight (which didn't happen).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

This difference is partly explainable by the fact that Loyalist official communiqués have as a whole been markedly more reliable than those of the Rebels; but there is also a personal equation. Mr. Carney, we understand, is himself a fervent Roman Catholic who was bitterly opposed to the Spanish government even before the war started. Mr. Matthews, on the other hand, came into Spain a mild sympathizer with Italian fascism, without any pre-commitments in favor of the Loyalists. Mr. Carney is clearly unable to resist the temptation to let the wish be father to the thought; while Mr. Matthews, starting from farther behind the line, retains more of the quality of the true journalist. The editors of The Times must deal with a difficult question of human psychology involving two loyal members of their staff. We don't envy them the job.

News Notes of a Week

From Geneva came reports that Great Britain and France will move to end the whole sanction system of the League. This action, such a bitter blow to advocates of collective security, would be taken because several of the smaller countries have threatened to withdraw from the League unless the present situation is changed. . . . Reports from London indicated that the elaborate British plan for the partition of Palestine may be postponed for years or forever. . . . From the troubled political scene in Egypt emerged stronger evidence that Italian propaganda there has been effective and that the British position is correspondingly weakened. . . . Many thousand German factory workers are being sent to Italy temporarily in exchange for an equivalent number of Italian farm workers. . . . Italy announced another great naval construction program, the largest in her history.

At home, President Roosevelt was preparing the details of his own plans for enlarging the navy on a scale unprecedented in peacetime. . . . His budget message conceded a probable deficit for next year of a billion. The President proposes to save on work relief, direct relief, the CCC, the PWA and veterans' pensions, and to spend more on national defense, the AAA and social security. . . . John P. Frey, president of the Metal Trades Department of the A. F. of L., was the latest to take up the cry that the CIO is Communist-controlled—this charge being evidently the official line of all its foes, despite the fact that it is palpably false and absurd. . . . Lister Hill, a wholehearted New Dealer, defeated Tom Heflin for Senator in Alabama by two to one. . . . Assistant Attorney General Robert H. Jackson indicated his willingness to run for Governor of New York as the Democratic candidate. He is believed to be Mr. Roosevelt's personal choice. . . . Hope was increased for the wages-and-hours bill when seven Southern Governors issued a joint statement that they favor it. . . . Opponents of the federal anti-lynching bill again prepared to suspend the business of the United States Congress indefinitely rather than permit the measure to come to a vote.

Again—The Trust Problem

THE SPEECHES of Robert H. Jackson and Secretary Ickes, as well as the President's message to Congress and his Jackson Day address, have again brought to the foreground the problem of monopoly. It is now generally recognized that these utterances constitute an effective political counter-attack against those who have been blaming the administration for the depression. But what is the program of the President? Is he going to do anything about the situation except to make political capital out of it?

The retort frequently made to Mr. Jackson is that he is Assistant Attorney General with special supervision over anti-trust prosecution, and that if any groups of business men have been doing anything wrong, it is his duty and opportunity to stop it rather than to talk about it. The fact that this retort comes so frequently from big business men themselves is a little suspicious. It confirms the feeling of boredom which experienced progressives feel when they assume that what is in store is an old-fashioned trust-busting drive in the courts. That recalls the days of Theodore Roosevelt and Woodrow Wilson, and the kind of sterile economic liberalism that is typified by Senator Borah. It foreshadows long and intricate prosecutions carried up from court to court, to end either in decisions adverse to the government or in consent decrees and reshuffling of corporate units that, after all, do not have any concrete results. And it reminds one of the nostalgic desire of some utopians to get back to the days of small, neighborhood business, as if we were still making carriages and depended on blacksmith shops for our iron. It would be impossible anyway to do anything about prices by this route in time to affect the present depression.

Another puzzle about the administration's trust policy is the complete cycle which it seems to have turned. No more definite encouragement to monopolistic practices has ever been adopted by government in the United States than the NRA, which explicitly suspended the anti-trust laws and permitted business men to agree upon "trade-practices" which were, in effect, agreements to sustain prices and restrict production. To be sure, the legal phrases of the NRA would have permitted the government to control prices in the interest of the consumer, but as a matter of fact the government scarcely could have done so under the circumstances, since it was not prepared with the necessary information or the necessary resolution to come into a head-on collision with private business. Experience shows that whenever business men are allowed to come together to "coöperate," the result is almost inevitably an effort to get more profits by some form of price-raising. Mr. Roosevelt's suggestion that he hopes to get industries together in consultation about prices, omitting, however, the faults of the NRA, is not promising.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

What method of dealing with the problem can there be, other than the futile gesture of trust-busting on the one hand, or the dangerous one of allowing business agreement on the other? The usual suggestions are governmental regulation such as is applied to utilities, or governmental competition similar to that which has been tried in view of the unsatisfactory results of utility regulation, or straight government ownership—of the sort usually visualized in programs of gradualist socialism. The drawbacks of these suggestions, in a situation like the present, are obvious. One or more of them, in some variation, may eventually have to be employed, but certainly the Roosevelt administration could not develop such a program and apply it without a long period of study, political preparation and legal conflict.

Assuming that the industries in which some action needs now to be taken would be regarded by the courts as within the realm of public interest, utility regulation of the ordinary type is hardly a good remedy. This regulation rests on the assumption that rates must be set so as to provide a "fair return" on the invested capital, however that investment may be reckoned. In such calculations the possible effects of lower rates or prices in enlarging sales are rarely considered by the courts. Yet that is the essence of the problem in the present situation. No steel prices, for instance, would be high enough to yield the steel companies a fair return when sales are as low as at present; the question is whether lower prices would not encourage the demand for steel, and, still further, how this demand might be increased by an integrated planning of prices and production in other industries. Government competition in such a highly organized industry as steel is a little difficult to visualize. As for government ownership of the whole industry, Mr. Roosevelt and the bulk of his supporters are scarcely prepared to go so far in a socialist direction.

It is important to note that the whole climate of opinion concerning the issue has changed since the old days of trust-busting. Then it was desired principally to protect the small business man against the large; the issue was mainly ethical and the emphasis was upon "fair competition" and the attempt to forbid "restraint of trade." Now the concern is about high prices and their effect upon production; what is desired is not observance of certain rules of business behavior but rather a situation that will permit full and stable production, in the interests of an economy of abundance. There is also the discovery by experts that prices may be maladjusted as a result of other things than simple monopoly in the old sense. The way in which prices are administered differs from industry to industry; the problem is much too complex to be solved by a mere attempt to abolish monopoly.

This gives a clue to procedure which may at least supply an approach to the problem. Why not have a series of congressional investigations, industry by industry, to reveal the relevant facts about costs, prices and production? Indefensible practices may thus be exposed, and the mere publicity would do some good. Certainly if any action is to be taken promptly, it must be taken by the private managers of industry, and the obligation to defend themselves in public sometimes provides a powerful motive for such action. The information derived could in the end be used for other purposes as well. It could be used as a basis for prosecution in cases where the law seems to have been violated and prosecution would do any good. Or it could provide the basis for action by the Federal Trade Commission. Or Congress could derive the information necessary for further legislation, to set up whatever controls seemed necessary. As an educational technique in our democracy there is little to rival a well conducted congressional inquiry.

Would a Boycott Stop Japan?

THE ARTICLE by Dr. Lin Yutang, beginning on page 301, comes from a distinguished Chinese scholar to whom the West has learned to listen with respect. He is the most moderate spokesman for his country whom we have yet encountered. He believes that Japan is destroying herself by her Chinese campaign, that in a few months she will be almost prostrate, economically, and that, whatever the United States might do, there is no danger of our getting into war. He suggests that by comparatively mild activity—the sale of some military supplies to China, the boycotting of Japan—we could readily swing the balance in China's favor and could then use our position to dictate a just peace. Dr. Lin makes the prospect seem tempting, simple and safe. The question is whether he is right.

That Japan is in an extremely serious economic position, and that matters are growing worse, there is no doubt. Her government expenditures have doubled, and the proportion spent for military purposes has increased from one-third to one-half. Her foreign trade has declined greatly, for reasons we shall discuss in a moment. Even if she wins it will cost her not much less than now, to continue to police the captured territory. The economically ignorant military men who forced her into this adventure against the will of the civilian leaders have started something they cannot finish.

That a blockade directed against Japan would do her harm, there is also no doubt. The question is how soon such a blockade would begin to have really serious effect. For many years she has been storing up such war materials as oil, iron and copper. She is now using them at an accelerated rate, but no one except the Japanese government knows just how large are the reserve stocks, or how long they will last. Some experts have guessed that Japan could hold out for one or two years longer even with foreign supplies cut off.

The matter of loans and credits from abroad is a comparatively unimportant one. Japan at present is

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

an extremely bad risk, and we doubt whether she has for a long time obtained any important financial assistance outside her own territories. Certainly, neither of her two friends, Germany and Italy, is in a very good position to export large amounts of capital.

In regard to foodstuffs, there seems little doubt that Japan can hold out indefinitely provided she has access to Korea and Manchukuo. She had excellent harvests this year, and her people are accustomed to what looks to us like a starvation diet.

That a private boycott of Japanese products, such as silk and manufactured articles, would harm the Japanese economy in the long run is quite certain. Such a boycott already exists on a wide scale in the United States and to some extent in other countries. Without doubt, it has already reduced Japanese exports to this country, and proportionally limited her ability to buy from us. We believe the private-boycott movement is to be welcomed, especially as a means by which individuals can register their moral disapproval of Japan's actions. How long it would take for such a boycott to bring strong pressure upon Japan depends of course upon its effectivenss. As to this, no reliable information is yet available. Both the price of silk, and exports to this country, have decreased sharply, but so have all other business indicia during the new depression, which began at just about the time the boycott was started.

Spokesmen for our silk trade are complaining that the boycott hurts Americans as well as Japanese. They argue that only one-seventh of the cost of a pair of silk stockings goes to Japan for silk, the remainder being wages and profits in the United States. While some large hosiery mills can be shifted from silk to lisle, many smaller ones apparently cannot. Since lisle hose wears much longer, the manufacturers say that the total wages of the hosiery workers would be greatly reduced and there would be heavy unemployment if the boycott were successful. They also point out that if Japan is forced by lack of credits to stop buying American cotton, great distress will be seen in the Deep South.

Economically, the foreign boycott of Japan is far less important than the boycott she is inflicting upon herself. Partly because ships have been transferred from normal trade to servicing her army, but chiefly because she wishes to protect her financial position, Japan has curtailed all non-essential imports to the lowest possible point; as Dr. Lin points out, she has already shipped abroad much of her gold. When you cut down your imports, you also reduce the power of the exporting nations to buy from you. Moreover, much of Japan's export trade has consisted in manufactured articles made up out of imported raw materials. She is therefore engaged in a vicious downward spiral of smaller and smaller foreign commerce, thereby hurting the sale of her goods abroad more than any private boycott could do.

Dr. Lin's suggestion that the United States enforce an official, government embargo against Japan has been discussed many times in the pages of The New Republic, and the arguments against it need not be reiterated in detail. Such an embargo obviously would not be effective if undertaken by one power alone. Would Great Britain join? She has given no firm evidence that she is prepared to do so. France is likely to follow the British lead, whatever that may be. Soviet Russia is apparently willing to do almost anything to postpone the war with Japan which so many of her leaders consider inevitable.

Dr. Lin's assumption that a government blockade of Japan would not lead to war is based on the idea that it would need to exist for only a brief period, a few weeks or months. But if the experts are right, it might require as much as two years. Even then, there is no guarantee that suffering inflicted from abroad on the Japanese people would cause them to turn against the government, or that the government would undertake a surrender. Dr. Lin apparently assumes, at least in this part of his argument, that the Japanese government would be subject to the laws of common sense and would retreat when retreat became advisable. But there is no guarantee that this would be true. The military clique rarely acts on principles of common sense; more often, it acts like a group of madmen, who would rather be destroyed and see their country destroyed with them, than to "lose face" by surrender. We cannot share Dr. Lin's easy assurance that war between the United States and Japan is unthinkable. We have seen too many unthinkable wars take place.

But even if we did not become embroiled in conflict, the militarists at home would use the situation as an excuse to whip up the martial spirit, to create a vast and needless increase in our army and navy—as they are doing at this moment—and to redouble their unending efforts to suppress opposition, to militarize and fascize America. Certainly, this country should take such a dangerous course only on the basis of a far greater hope of success than Dr. Lin or anyone else has yet been able to offer us.

THE NEW REPUBLIC

PUBLISHED WEEKLY AND COPYRIGHT, 1938, IN THE U. S., BY EDITORIAL PUBLICATIONS, INC., 40 EAST 49TH STREET, NEW YORK.

Editors

BRUCE BLIVEN MALCOLM COWLEY R. M. LOVETT
GEORGE SOULE STARK YOUNG

Assistant Editors

T. R. CARSKADON OTIS FERGUSON ELIZABETH HULING

Contributing Editors

H. N. BRAILSFORD HEYWOOD BROUN JOHN T. FLYNN
WALDO FRANK E. C. LINDEMAN W. P. MANGOLD
JON. MITCHELL LEWIS MUMFORD R. G. TUGWELL

Treasurer

DANIEL MEBANE

E. G. WOOD, *Advertising Manager* BYRON DEXTER, *Circulation Manager*

RATES: SINGLE COPIES, FIFTEEN CENTS; YEARLY SUBSCRIPTION, FIVE DOLLARS; CANADIAN, FIVE DOLLARS AND FIFTY CENTS; FOREIGN, SIX DOLLARS; THREE MONTHS' TRIAL, ONE DOLLAR.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Attack on the NLRB

HERE IS a true story straight from the industrial war front: the Metropolitan Life Insurance Company is the largest financial organization in the capitalist world, with close to four billion dollars of assets. Its industrial-insurance agents, along with those of the Prudential and John Hancock, have organized a union affiliated with the CIO. The great Metropolitan Life Insurance Company is worried about the formation of this union. It is using every known technique to destroy it—loyalty speeches, intimidation, discharge. Recently the familiar company union made its appearance. The agents are being advised to join the Employees' Fidelity Organization. They are asked to sign cards which read in part, "The purpose of my seeking membership in the aforementioned organization is to assist my fellow members in maintaining the ideas and ideals which our company represents and to discourage influence and the injection of such other organizations or influences which may tend to disrupt or destroy present managerial proficiency."

It is reported that the assistant managers have been given a daily quota of signatures to these cards which must be obtained. The pressure on them is terrific. Recently one agent was approached by his assistant manager who asked him to resign from the union and join the Employers' Fidelity Organization. The agent refused, whereupon the assistant manager said, "Your mother is a sick woman [it was generally known that she was a bad heart case]. Unless you resign from the union and sign this card, I will go to your mother and tell her that you are going to lose your job." The agent signed the card —then he went to union headquarters and told the story.

This interference with the workers' right to organize, this attempt to put over a company union, this flagrant disregard of the law by a leading company is not an isolated case. It is typical. The record of the violations of the Wagner Act by our captains of industry is ample proof that these sanctimonious upholders of law and order are the greatest lawbreakers in the country. They were opposed to the Act when it was in the discussion stage; after it became law in July, 1935, they continued to oppose it. You and I assume that an act passed by Congress and duly signed by the President is the law of the land unless and until it is declared unconstitutional by the Supreme Court. But our best citizens reversed this procedure. Acting on the advice of fifty-eight Liberty League lawyers they proceeded on the assumption that the law was unconstitutional. They did everything possible, through injunctions and legal entanglements of every kind, to sabotage enforcement of the Act by the National Labor Relations Board. It was only after April 12, 1937, when the Court upheld the constitutionality of the Act, that the Board was able to make real headway.

But the very fact that defiance of the law was now more difficult meant that the onslaught of the employers became more bitter than ever before. The tactics, of necessity, were changed. Before the Supreme Court decision, the Act could be dismissed as unconstitutional; after the decision, indifference and direct assault were given up and the attack was shifted from the Act itself to an offensive against the Board. It is important for us to understand this new strategy, to perceive clearly that the present concerted outbreak by employers, reactionary Senators and omniscient columnists against the NLRB is, in essence, the same old attempt to overthrow the Wagner Act. Don't be fooled by outraged cries of the Board's violation of freedom of the press, of intimidation of witnesses, of ineffectiveness in stopping strikes, of radicalism, of the cancellation of valid contracts, of favoritism for one union (the CIO) over another (the A. F. of L.). These charges are all lies.

The Barclay freedom-of-the-press case (so-called) has already been discussed in these pages and elsewhere. It had nothing to do with freedom of the press. It had everything to do with freedom of distribution to Weirton Steel employees of reprints of an article designed to influence the workers' opinion. To prevent such circumvention of the law is definitely the Board's job.

The charge that the Board's attorneys and trial examiners are dictatorial, that they act like prosecutors, not like lawyers and judges, is most dishonest, because the exact opposite is the case. The hearings are open to the public. Attend one and you will be convinced that the Board's representatives have been instructed to cut through all the legal technicalities to get to the heart of the complaint. This was clear to the writer of a descriptive piece on the Board's procedure in The New York Times of June 13, 1937. "The Board's legal high command . . . have deleted from their NLRB technique whatever prosecutor's mannerisms they may have learned in law school. Their tone, even when the employer's lawyers start a violent legal scrimmage, is invariably conversational and conciliatory . . . the atmosphere it creates often suggests a mediation committee rather than an enforcement agency."

Perhaps the most convincing testimony concerning Board procedure is found in the Handbook of the International Association of Machinists, an affiliate of the A. F. of L. "It is hoped and expected that the practice before the Board will always remain as it now is; simple and devoid of technicalities so that representatives chosen from the ranks of the workers themselves may be the advocates."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Has the Board succeeded in preventing strikes? It has. In twenty-five months of active operation, 435 strikes, involving some 119,574 workers, were averted through the Board's action. Blame for the Board's inability to prevent strike action in hundreds of other cases rests entirely with the employers. Why? Simply because they had so effectively tied the Board's hands through injunctions and other legal actions designed to delay proceedings that the workers involved grew impatient and were forced to resort to striking. The very fact that a union brings its complaint to the Board shows its willingness to resort to orderly legal procedure in a dispute; when that legal process, normally too long, is extended still further by the blocking tactics of the employers, the union cannot be blamed for bringing matters to a head. Strikes are costly affairs. Unions never resort to them unless they have to. But when they do, it is a mistake to assume that theirs is always the responsibility.

Let us look at the situation in the insurance field as an example. The industrial-insurance agents are organized. They feel they have a majority. They have definite demands which they want to discuss with the companies, through representatives of their own choosing. To date the companies will not recognize their union; they refuse to deal with the men. The union has filed a complaint with the NLRB. It will be months before the complaint can finally be acted upon. Meanwhile the companies continue to violate the law through intimidation and discharge, through fostering a company union. If the union had any assurance that after the NLRB has issued its finding the companies would heed the ruling, then it could afford to bear with their present unfair practices. But it hasn't that assurance and meanwhile the men are chafing under the provocative tactics of their superiors. If a strike is called, who is to blame?

To the charge of radicalism so frequently hurled at the Board there is a short, convincing answer. Look at the record. In the twenty cases reviewed by the courts, the Board's orders were upheld in eighteen. In not a single case have the Board's fact findings been reversed in whole. Does anyone want to argue that the judges in all the Circuit Courts of Appeal are radical too?

The most recent case in which the Board was upheld by the Court of Appeals was that of Consolidated Edison vs. the United Electrical and Radio Workers, a CIO affiliate. The order required the company to dissolve contracts it had signed with the International Brotherhood of Electrical Workers, an A. F. of L. affiliate. It is this and several similar cases which have brought upon the Board the charge that it ordered the cancellation of "valid" contracts. It has, of course, done nothing of the sort. It has ordered the cancellation of *invalid* contracts, phony "quickie" contracts put over by the employer with a company union, or with an A. F. of L. union, to defeat the real desire of the workers for a militant union of their own. The trick is simple, too simple. Contracts by the employer with a union which has little or no membership but is obviously willing to play ball are rushed through at breakneck speed. It is amazing to see how eagerly the most die-hard opponents of the closed shop rush into closed-shop agreements with the union—when it is a union they can control. Take the matter of the Lenox Shoe Company and the United Shoe Workers of America. It is a typical case:

> The *local Chamber of Commerce,* at the request of the company, had called in American Federation of Labor organizers after the United Shoe Workers, affiliated with the CIO, had started organizing in the company's plants. The A. F. of L. organizers held a meeting in the plant on company time. The power to the machines was shut off during the meeting and foremen ordered the employees to attend. The superintendent of the factory directed an employee soliciting for the A. F. of L. union (Boot and Shoe Workers' Union) to tell employees they had either to sign up or get out. Officials of the company urged employees to join the A. F. of L. and tried to dissuade them from remaining members of the United Shoe Workers. A *closed-shop contract* with the A. F. of L. union was thereafter signed by the company without any examination of the list of members presented by the A. F. of L.
>
> The Board held the closed-shop contract void and of no effect because it was with an organization assisted by unfair labor practices, but stated that if the A. F. of L. union were chosen in an election, the date for which would be set later, it could enter into a new contract with the company. [My italics.]

Any question here of canceling a "valid" contract?

The Board's decision in similar cases and its findings in hundreds of elections have given rise to the notion that it favors the CIO over the A. F. of L. That is not true. The election results do favor the CIO, but that is not due to Board favoritism—it is a record of the will of the workers. The Wagner Act brought legal protection to the workers in their right to unionize. The CIO has taken full advantage of that fact; it has been more active, it has organized the unorganized and it has filed a larger number of petitions for elections than the A. F. of L. The result is reflected in the election returns. Here are some results of 498 elections conducted by the NLRB for the period to September 30, 1937:

ALL TYPES OF ELECTIONS—498

	Ballots	Percent of total (approximate)
A. F. of L.	24,954	11.5
CIO	129,460	60.0
Independent or plant unions	37,049	17.0
For or against a particular union	24,623	11.5

A.F. OF L. v. CIO—133 ELECTIONS

	Elections Won	Ballots Cast
A. F. of L.	26	7,354
CIO	106	22,379
	1 tie	

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

If eighty-two shoe-industry elections (of which the CIO won eighty) are subtracted from this, the results would be:

A. F. OF L. v. CIO—51 ELECTIONS

A. F. of L.	24	6,488
CIO	26	15,576
	1 tie	

A.F. OF L. UNOPPOSED—74 ELECTIONS

	Elections	*Votes*
For A. F. of L.	54	9,397
Against A. F. of L.	19	4,185
	1 tie	

CIO UNOPPOSED—144 ELECTIONS

	Elections	*Votes*
For CIO	123	67,943
Against CIO	21	19,843

From these election results it is easy to understand why the A. F. of L. at its Denver convention and more recently after the Consolidated Edison decision, has attacked the Board. A. F. of L. ranking officials have carefully refrained from attributing their relatively poor showing to their own mismanagement and inactivity and have preferred to lay the blame on the Board for its alleged favoritism in deciding what the appropriate bargaining unit in a plant shall be. That this is a difficult nut for the Board to crack was shown when the SWOC at its Pittsburgh convention also attacked the Board—for its partiality to the A. F. of L.!

The Allis-Chalmers case is a good illustration of the problem often facing the board. Here it is in brief: 9,551 workers are employed at the West Allis plant of this Wisconsin company, manufacturers of heavy industrial machinery. Local 248 of the UAW claimed 7,000 members and argued that the bargaining-unit election should be conducted on a plantwide basis. Eleven A. F. of L. craft unions argued that each constituted a separate unit appropriate for the purposes of collective bargaining. It remained for the Board to determine whether the unit represented by Local 248, the CIO union, was the appropriate bargaining unit for the whole, or whether to allow the men in the smaller groups to vote on being represented as crafts or as part of the industrial unit with the rest of the plant.

Two of the members of the Board—the chairman, Mr. J. Warren Madden, and Mr. Donald Wakefield Smith—voted to allow the members of two of the A. F. of L. craft unions, the International Brotherhood of Electrical Workers and the International Brotherhood of Firemen and Oilers, the opportunity to choose between the smaller units and the production unit. The third member of the Board, Mr. Edwin S. Smith, dissented.

This was a knotty problem of great import in the current dispute between the A. F. of L. and the CIO. As Mr. Smith pointed out in his dissent, to permit minorities to set themselves off is to endanger the successful collective bargaining of the majority. The separate craft groups occupy strategic positions. If they went out on strike they would throw all the men out of work; on the other hand, any strike the majority might call would be endangered if the minority groups refused to coöperate. From the standpoint of workers' strength Mr. Smith is undoubtedly right—the collective-bargaining power is weakened if there exists, along with the broad industrial unit, small but powerful craft units.

The Allis-Chalmers case will be repeated. Already a similar decision has been written in the Schick Dry Shaver Company case. And every such election quarrel throws the A. F. of L.-CIO controversy into the Board's lap. Charges of favoritism will increase.

But the Board is playing no favorites. Mr. Madden and Mr. Donald Smith find justification for their position in the Act itself, "Employees shall have the right . . . to bargain collectively through representatives *of their own choosing*." (My italics.) Similarly Mr. Edwin Smith finds justification for his position in the Act itself, "in order to insure to employees *the full benefit* of their right to self-organization and to collective bargaining." (My italics.) The split decision represents an honest difference of opinion.

Of that we may be sure because the Board is composed of three honest men. They are brave men who have faced hostile audiences and have talked straight from the shoulder. They have written opinions that are models of simplicity, clarity and outspokenness. They have had the courage to deal with every legitimate charge of unfair labor practice, no matter how mighty the offending employer was. They could have weaseled out of nasty cases by pleading no jurisdiction, but they went ahead. They have tackled the Big Boys in every industry—the Aluminum Company, Carnegie-Illinois, Republic Steel, Swift, Standard Oil, Consolidated Edison, Western Union, Goodyear, the Associated Press, Hearst and Ford. No agency can handle companies like these without being subjected to intense political pressure. But the politicians have gone away empty-handed—these men cannot be "reached."

They are being attacked now, not because they have done their work badly but because they have done it well. They have been active guardians of the rights guaranteed to labor under the Wagner Act. Those people who know how much trade unionism has been helped by the Act and the Board's honest, vigorous administration of it must be on their toes now. Once before when the Board was faced with a crisis, when hostile Congressmen were maneuvering to hold up necessary increased appropriations, the rank and file of both the A. F. of L. and the CIO rose to the defense of the Board. Their pressure was effective. They must be prepared to act again soon. For the heavy artillery of the reactionary forces who hate the Act and the Board is moving into the danger zone. Maury Maverick says that the NLRB is facing the "dirtiest outstanding meanest low-down crooked conspiracy in the United States." And the gentleman from Texas is right again.

LEO HUBERMAN.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

What America Could Do to Japan[1]

TWO QUESTIONS must clearly be separated: what America can do in the Far Eastern crisis, if she wants to do something, and what America chooses or wants to do. It is not my business to say what Americans want to do, or should do, for a discussion of this point leads off to abstract generalizations which are merely matters of opinion and emotion. For the purpose of this article, I have to assume that many thinking Americans, perhaps a great majority, want to do something, but generally conclude that they can do nothing. Further, I assume that they are determined to avoid getting involved in a war with Japan, and rightly so, and the net question becomes: What can America do to stop this war or help in the eventual settlement of the future of the Far East without incurring risks of war involvement?

Mr. Bruce Bliven's clear and unemotional analysis of the whole question of "collective security" ("Collective Insecurity," The New Republic, December 1) gives as lucid and soundly reasoned an argument against collective action and economic sanctions as I have ever read. I even see nothing to disagree with in his five points. These points cover, however, almost entirely the question of economic sanctions, and they deal with general principles of international coercive action against Fascist powers, and not specifically with the question of Japan. As soon as we take up the present concrete question of dealing with Japan, I find that some of the arguments are idle, and others invalidated by the facts of the present situation.

My thesis is this: Not only can America do something in this situation, but she is actually in a signally advantageous situation for doing a great deal. Furthermore, as this war develops, she will actually be doing something that will effectively tip the balance in favor of China and against Japan and dictate a just and honorable peace. And she can do all this without getting involved in a war with Japan.

No nation in the world today is so privileged to use her diplomatic and financial power to decide the future destiny of the Far East, and escape unharmed herself, as America. Her influence can be used directly at present, diplomatically in the next half-year throughout Europe, and imperially at the conclusion of the war. None of these things will involve her in a war with Japan.

Let us look at the concrete situation. Japan is getting more and more deeply involved in China, and China is preparing and reorganizing on a pattern that will enable her to carry on prolonged resistance. Two adamant wills conflict: Japan's will to conquer and China's will to resist. That means clearly a war of attrition, until one of the two national wills is definitely and decisively broken. And a war of attrition means that the war will not only leave China devastated, but also leave Japan militarily and economically weakened to a dangerous point. After a year of the wear and tear of war, she will be in a position in which she cannot stand a fresh onslaught by Russia, or even diplomatic or financial pressure by a Western power which has kept out of the war. To have Japan so weakened will be to the advantage of her rivals in the Pacific, and will render her useless to her allies in Europe. As the Chinese saying goes, "When a heron and a clam fight each other to death, each refusing to loosen its grip on the other, it is the fisherman who stands to profit." The "fisherman" can be no other than America, or Great Britain, or Russia.

The immediate prospect of Japan's involvement is as follows: In the next half-year, Japan will find herself occupying larger and larger areas of Chinese territory, requiring more and more soldiers and calling in more and more reservists. She will have Hankow, Canton and the control of a few railways, and then her troubles will begin. She will then have several 400-mile lines of communications to protect. Contrary to the predictions of such correspondents as Hallett Abend of The New York Times, who report Japanese wishes as news, the Nanking government will remain intact as the head and center of China's unified resistance, occupying the west, southwest and northwest of China. In the north, and wherever Japanese troops advance, there will be a shadow puppet government, which will survive and function as long as there are Japanese bayonets to support it, and collapse the moment such support is withdrawn. That means the permanent stationing of not less than 400,000 Japanese soldiers on Chinese soil. If Manchukuo, after six years of conquest, still requires a permanent force of about 100,000 Japanese soldiers, this figure is not too high. Even then, Japan will have only the cities and the railway zones, but not the countryside, as is the case today in Hopei and Shansi. According to the 1938 budget of 5,500,000,000 yen (granting that she can find the money), she will be spending 15,000,000 yen a day.

That is the economic situation, which makes Japan sensitive to the slightest economic pressure. This sensitiveness of the Japanese economic structure is not fully recognized by most people. Her national debt, thanks to Manchukuo, has passed the danger point—10,000,000,000 yen; her adverse trade balance has exceeded 700,000,000 yen; to cover this, she had to ship gold to the value of 328,000,000 yen in the first seven months of 1937. Her gold coverage for the yen dwindled in 1936

[1] Comment on Dr. Lin's article appears in the editorial section of this issue.—THE EDITORS.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

from 35 to 32 percent; her tax income constitutes only 54 percent of her 1936-37 budget, and the increased taxes recently started are expected to bring in only 100,000,000 of the 2,000,000,000 yen voted for the winter campaign. The rest is covered by government loans and bonds, but state loans have already exceeded the public's power to buy; in January, 1936, the Bank of Japan had in its possession 591,000,000 yen of unsold government bonds, which six months later had reached 854,000,000 yen; the money invested in state loans is the money of bank depositors; there is no possibility of raising external loans. The financial weakness of Japan comes from her shortage of raw materials, her subordination of industry to foreign markets, and the already low taxable margin of the Japanese populace and their decreasing real wages.

I am not suggesting that Japan will undergo an economic collapse during the war, though this possibility is not excluded, but that she will be bled white. Nor am I suggesting that there will be a revolt, though this possibility, again, is not excluded. Rather, her people will begin to count the cost, to wonder how long this is going to last and to think about mediation by some third power. Japan is hoping for a quick victory and early collapse of Chinese resistance. If that collapse does not come, she is in for trouble. Two axioms are still true, though the League of Nations may dissolve and the Brussels Conference may fail: "war is unsound economics" and "everybody loses in a war." The Japanese army does not study economics and the Japanese economists consider it is too late to think about the matter now. That the Japanese industrialists will support the army out of patriotism is clear; but whether they like it or are going to like it is another question. This war is going to be increasingly unpopular as the Japanese army advances, and all thinking Japanese are wondering what they are after outside of the five northern Chinese provinces, especially since the fictitious states are maintained only by keeping up a huge army. Any weakening of Japan's financial structure will greatly hasten the end.

In the international field, Japan is not so free from worry as we might imagine. Actively engaged in one protracted and apparently endless war with China, and contemplating another prospective war with Russia, which they view even more seriously, the Japanese would be mad to think they could fight China, Russia and the United States at the same time. Even with respect to Great Britain, the Japanese army has shown great solicitude over getting too much involved—in Hongkong, for example. And the "Panay" incident shows all too clearly that Japan is moving very cautiously to avoid injuring the good will of America. In other words, her stiff diplomatic front is a bluff, and the bluff may be called at any time. It is strange that the Japanese army's stiff front has made the world believe Japan is mad enough to challenge and fight everybody at the same time. She relies not on America's weakness (she has too good sense for that), but on American isolationists and their attitude of complete indifference and willingness to withdraw entirely from the Far East. But this isolationist asset to Japan is subjective and not objective, unlike Britain's real difficulties in the Mediterranean, and the moment she is convinced that America is not ready to see the Open Door in China closed and her treaty and trade rights disregarded, she will go a long way to humor the United States.

The fear of a war with Japan at this juncture is therefore fantastic. If America does not carry war to Japan, is Japan going to carry war to Hawaii or Alaska in 1938? *But fortunately America does not want to, and does not have to, carry war to Japan, and the choice of war or peace remains throughout this conflict in America's hands.* There is no nation that enjoys a more favored field for strong diplomatic or indirect action than America today in this Far Eastern conflict. She can go a long way toward doing what she thinks right without risking the slightest danger of a war with Japan, and without raising more than Japanese protests, as futile as those of other nations. America can stop shipments of oil and scrap iron to Japan, and what is Japan going to do about it except protest? What *can* she do except protest? America could enforce an embargo on shipping and there would still be no war. America could refuse banking credit to Japan, and there would still be no war. America can, if necessary, even withdraw her diplomatic representative, and there will still be no war.

Knowing therefore that all this talk of war between Japan and America is nonsensical, America can do a great deal, short of war, and is in fact in a powerful position for directing her influence to shape the course of events in the Far East. The essential assumption is of course that America wants to check the war, that she is interested in seeing the Open Door in China remain open, that there is an intelligent self-interest in America's not wishing to see Japan's Asiatic mainland empire consolidated for future war and trade competition, and a feeling that an independent China is best for the world.

Right now, America can, without any danger of war with Japan, supply China with credit and airplanes and arms. The tables will be turned if she does this and it will be Japan's turn to protest. In this war of attrition, every little gesture means moral support for China, and every ounce of economic pressure on Japan has the tendency to make the war more unpopular with the Japanese people.

In the field of international action, there is a strong possibility that the picture is going to change. More complications, not fewer, will arise as Japan pushes her conquests in central and south China and her threat to the trade rights of other powers becomes clearer and clearer. There is every indication that when Japan has reached the state of near-exhaustion—with her financial resources weakened, her involvement in China deep enough and a great part of her army tied up with maintaining a puppet

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

regime in China in the midst of a hostile population, airplanes, ammunition and artillery depleted—Russia will feel a strong temptation to come in and deal an easy and sure blow to settle the old score of Port Arthur. If Russia has any expectations at all of keeping her Far Eastern province, she cannot afford to let Japan consolidate her position in North China. In such a situation, America can exercise great diplomatic influence merely by indirect support, especially if Germany decides that Japan is no longer worth anything to her as an ally.

Lastly, the greatest weapon of the democratic powers is the economic weapon, which can and should be used judiciously. With Japan exhausted, America and Great Britain can practically dictate a just and equitable peace, as America did at the conclusion of the Russo-Japanese War, when Japan was literally bankrupt.

These things America can do. What America wants to do or does not want to do is another question.

LIN YUTANG.

What to Do About Taxes: III

THE PRESENT attacks on our federal income tax are centered chiefly on two features—the tax on undistributed earnings and the treatment of capital gains and losses. These are the villains who are alleged to have shot the cock-robin called prosperity. Business is clamoring for their modification or repeal. The assumption is that if business is relieved of the burden imposed upon it by these two taxes, conditions will immediately improve and the wheels of industry will start turning again. This final article in my series will examine these two features of our tax system and consider whether heed should be paid to the clamor against them. It will then discuss a third feature, the excess-profits tax, and conclude by drawing the recommendations made in this and previous articles into a tax program.

Undistributed-Earnings Tax.—Few if any of the innovations inaugurated by the Roosevelt administration have provoked a greater storm of controversy and more bitter resentment than the Revenue Act of 1936. This act subjected undistributed corporate income to a special tax graduated according to the proportion left undistributed. It would be difficult to find an epithet of opprobrium that has not been invoked against this new provision.

The violence of the attack is perhaps proportional to the size of the hole stopped by the new tax. For before its enactment there existed in the federal income tax a loophole big enough to accommodate a ten-ton truck driven by a blind man. If a corporation earned an income of a million dollars and declared no dividends, it was subject to a corporation tax of some 12 percent. On the other hand, if it declared all of its earnings in dividends it was still subject to the tax of 12 percent; and in addition the recipients of the dividends paid personal income taxes upon their receipts. If all the income of the corporation went to one stockholder, he was taxed at a top rate of over 70 percent. Thus to leave undistributed earnings untaxed while declared dividends were taxed at steeply graduated rates was obviously objectionable. It involved gross discrimination both against the declaration of dividends and the taxpayer receiving such dividends. It also invited the avoidance of the personal receipt of dividends.

To understand the size of this loophole one need only recall how much of the Ford fortune has been built by the reinvestment of corporate income. This reinvestment added to the value of Ford stock, but technically gave the Fords no income. Under the income-tax law prior to 1936, the enormous savings of the Ford Motor Company, and indirectly those of the Ford family, were not subject to personal taxation. The Fords are a conspicuous but not an exceptional case of this form of tax avoidance. According to Treasury estimates, during the decade ending in 1933, corporations reinvested about 30 percent of their profits. During the late twenties the figure was 40 percent. And this was before the present high schedule of individual surtaxes was enacted, when the incentive to avoid personal surtaxes became so acute.

Matter of Alternatives.—The writer would concede the existence of valid objections to the present tax on undistributed corporate income. Business and economic ends would probably be better served if corporations were left free to decide whether to declare dividends or reinvest earnings, without pressure either way from the tax system. But a tax system of that sort cannot be attained without fundamental changes in well established legal and administrative institutions. At present Congress is forced to choose between a tax arrangement which puts a premium on the "ploughing in" of corporate earnings and another which probably creates an inducement to full distribution.

A real solution of the problem could be reached if the corporate entity were disregarded for tax purposes and each stockholder were taxed upon his share of what the corporation makes, whether or not distributed, or upon the appraised value of his corporate shares, whether or not exchanged.

Until we are able and willing to remodel our tax system in some fundamental way such as those suggested above, the undistributed-earnings tax is an

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

essential feature of our income tax. If the top brackets of the individual income levy are too high, they should be reduced. If they are retained, they should be made effective. If the conscience of the nation approves of high graduated surtaxes on personal net income, it cannot approve of providing the taxpayer with two bombproof tax dugouts—undistributed earnings and tax-exempt securities—which the heaviest guns of the tax system cannot penetrate. Unless we are to accept the view that savings do not constitute income—which smacks of the sales tax—the exemption of corporate reinvestment from taxation is fundamentally incompatible with a graduated personal tax.

No doubt improvements can be made in the law, as for example in the feature which allows no untaxed undistributed income to the corporation that has an accumulated deficit from previous years' business. Conservative concessions in favor of small corporations or small corporate savings may also be in order. But the master loophole in our income tax which existed before 1936 should not be reopened.

Capital Gains and Losses.—Another much mooted feature of the federal income-tax law is its treatment of capital gains and losses. These gains and losses are a highly irregular form of income resulting, not from the usual course of business or employment, but from the sale of capital goods or investments, such as real estate or stocks and bonds. The 1934 federal law provided that capital losses could be deducted only from capital gains and that a net capital loss (with a minor exception) could not be offset against ordinary income. At the same time a concession was granted the taxpayer by allowing him to discount his capital gains (and requiring him to discount his capital losses) according to the length of time the asset had been held.

Should Capital Gains Be Taxed?—There is constant effort being made to bring about the elimination of capital gains and losses from income taxation. Few, if any, have claimed that a realized capital gain (whether income or not) gives its recipient no ability to pay. Just why ability to pay that arises from trading in stocks and bonds and real estate should be privileged is very difficult for the disinterested layman to see and troublesome enough for most of the experts. For years, most economists have done their best to make the "stock gambler" respectable. If it be conceded that they have made a case for him, it does not follow that he should be granted any privileges in taxation above those allowed the recipient of an honest salary. Of course, not all capital gains are reaped by persons who could be called "stock gamblers" even by their critics. But no such economic rewards are so important to society that they need to be favored by the tax system.

Treatment of Net Capital Losses.—Many people who hold that capital gains should be taxed feel, nevertheless, that the present law is open to criticism in that capital losses (with a minor exception) can be offset only against capital gains, and not against other income. It is said that this is a kind of sharp practice on the part of the government which forfeits the taxpayers' goodwill. Although this view is plausible, there are important differences between ability to pay which arises from capital transactions and that which arises from other income sources, and important reasons why the two should not be mixed indiscriminately. Capital gains and losses are irregular in occurrence, often have a longer periodicity than other income, and are not relied upon by the taxpayer to support his standard of living. To mix them indiscriminately with other income means very great fluctuations in income-tax revenues. Moreover, the taxpayer can manipulate his capital account in his own favor (and further embarrass the government at a time when its receipts are likely to be low).

It may be recalled that it was through this loophole that Mr. Morgan and his partners were able to ride virtually unscathed during several years of the depression. Mr. Morgan had sufficient current income to purchase a magnificent yacht, yet for income-tax purposes his receipts were offset by the "paper losses" in his capital account. Many of the capital losses of this period were realized mainly to suit the taxpayers by the use of more or less fictitious transactions. Thus at a time when the government was in urgent need of revenue, and rates were being increased to finance an emergency, many of the wealthy were able to sidestep the income tax entirely.

The reasons for differentiation between capital gains and other income are so obvious and so important that many economists have held capital gains not to be income. It matters little what these receipts are called, except perhaps to the Supreme Court. They should be taxed regardless of their title. Strong ground exists for a complete separation of a capital-gains tax from the income tax, but this would involve basing rates in both cases upon only a partial picture of the taxpayers' ability to pay. The present arrangement could be made more equitable if a longer period (say three or five years) were provided during which net capital losses might be carried forward to offset capital gains. Otherwise it is a fair compromise.

Influence upon the Stock Market.—The present treatment of capital gains and losses is criticized by some on the ground that it discourages profit taking on a rising stock market, thus creating an artificial scarcity of stocks and accentuating a boom. This criticism, however, has not been supported by any inductive evidence, and the deductive evidence is none too plausible. If some people hesitate to sell stocks, which they have held for a relatively short time, on the ground that their profit would be heavily taxed, is it not equally plausible to assume that others will be deterred from demanding the stocks which seem to promise a quick speculative profit?

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In other words, the capital-gains-and-losses feature of the federal law may simply discourage speculative transactions. If this is the result, it should be applauded, not deplored.

Tax Institutions and the Depression.—The idea that either the capital-gains tax or the undistributed-earnings tax caused the current recession in business is not supported by either logic or evidence. One might argue with equal plausibility that the lack of these features brought about the much deeper depression of 1929; or that the advances made from 1934 to the third quarter of 1937 were due to the present capital-gains feature, reinforced since 1936 by the undistributed-earnings tax. It may be true that certain acts of government will prevent and mitigate depressions. Restoring loopholes in our tax system is not one of these acts.

The Excess-Profits Tax.—If Congress is looking for something to repeal, it might relieve its urge on the excess-profits tax. This tax is based upon the ratio of corporate net income to a declared capital value, which is a matter of choice by the taxpayer and need have no relation whatever to fact. Since capital stock taxes are also paid on this declared capital value, it is thought that these two taxes will enforce each other. If the declared value is set high, there may be no excess-profits tax to pay, but capital stock taxes will be high; and if the value is set low, the capital stock taxes may be avoided, but the taxpayer may get badly caught by the much more burdensome excess-profits tax. The declared value cannot be changed from year to year, and if the corporation sets its value too low, it may be permanently and heavily penalized. This is a tax not upon ability to pay, or upon excess profits, or upon anything else, except perhaps poor guesswork.

The case for a genuine excess-profits tax is quite a different matter. An excess-profits tax is one paid by business upon profits according to the ratio of such profits to the capital investment in the business. Thus a million-dollar business income may pay at a lesser rate than a $500,000 income, provided the latter represents a higher rate of return upon capital. In this era of imperfect competition such a measure highly recommends itself as a recapture device.

Unfortunately the administrative difficulties of the excess-profits tax are exceedingly great. The tax involves an estimate of capital values and proper allowance for differences or risk, neither of which is easy. Perhaps, as has been recently suggested, a beginning could be made by applying the principle of the tax on a small scale until better records of corporate capital have been established.

A Suggested Tax Program.—Socially minded citizens need a vigorous and well considered tax program. The following planks discussed in these articles are offered for consideration:

1. The federal fiscal situation, the revenue needs of the states and the inadequacy of certain public services all point to the need for more revenue for the federal government. In the present state of our economy direct personal taxation is by far the best way to get the revenue. Instead of disrupting the private economy, such taxes, if well spent, will help balance the economy and help ensure its functioning in the general welfare. It is not necessary to sacrifice essentials of the tax system on the altar of returning prosperity.

2. Federal aid to the states for public education should be inaugurated as soon as the revenue for such a program can be found.

3. The lower and lower-middle brackets of the income and inheritance taxes should be cultivated more intensively and extensively. The alternative is to pile consumption taxes upon the large numbers of people below the income-tax level. This alternative is already well developed in twenty-eight states.

4. Collection at the source for taxes upon the lower brackets of income should be reëxamined with a view to adaptation to American soil.

5. The campaign against the loopholes should continue. To stress a few of the more important matters: (a) Further patchwork is needed to prevent evasion by means of the trust. (b) Now is the time to make a heavy dent in the exemption of government securities and salaries which steadily grows more serious, and which is very rarely defended by any disinterested person of any party or economic faith. (c) We should abandon separate returns for husband and wife and assess family income as the measure of ability to pay.

6. We should clearly recognize that a permanent solution of the loophole problem calls for fundamental changes in the status of corporations and trusts. Otherwise legislators and administrators may find themselves always a jump behind the loophole seekers. Such fundamental changes are no easy matter, but an effort in this direction—such as taxing stockholders on their shares of corporate earnings, whether or not distributed, or on the change in value of their shares, whether or not exchanged—should be inaugurated now.

7. Any sound program to check the power or liberalize the personnel of the Supreme Court is an important part of a forward-looking tax program.

8. The undistributed-profits tax should be retained until something more fundamental is done to make it unnecessary. Some modifications could be adopted to make it less onerous.

9. The capital-gains-and-losses feature of our income-tax law, though under vigorous attack, is fundamentally sound. The essential features of the present system should be retained.

10. Our present excess-profits tax is a misnomer and adds nothing to the tax system except a small amount of revenue. It should be repealed.

The national administration deserves much credit for attacking several major loopholes in the federal income-tax law. These are minor achievements, however, compared with what needs to be done.

HAROLD M. GROVES.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Mine Eyes May Behold

IT HAS come to my knowledge that the friends of William A. Schaper are striving to correct the verdict of injustice rendered against him by the regents of the University of Minnesota amid the tempest of 1917. If they are successful, the authorities of the University will reëxamine the evidence, expunge from the record the false accusations and restore Professor Schaper to the standing that rightfully belongs to him. Should this act of contrition and correction be performed by the regents of the University, I shall feel that mine eyes have beheld a fulfilment far beyond ordinary expectations.

It is not often that institutions confess errors and make reparations. After all, what is the life of any person as compared with the eternity claimed by universities? In the preoccupations of their daily routine, professors are likely to let bygones be bygones and shrink from the turmoil of conflicts. As old trustees pass and new members come on the scene, they too are prone to "let the past slide" and fix their attention on problems in hand. If, therefore, Minnesota clears her record, a miracle will be performed. More than that—to academic liberty in America a pledge will be given that even the wild passions of war must not trample truth in the dust and justify the vengeance of individuals.

For the benefit of those who have short memories, a few relevant facts may be set down here. In the autumn of 1914 Professor Schaper was the distinguished head of the Department of Political Science in the University of Minnesota. Wisconsin was his birthplace. His undergraduate work was done in the University of that state and his doctor's degree was won at Columbia University. By assiduous labors he achieved a recognized position as an authority in the field of government and was often called upon by legislatures and municipalities to render expert advice on finance, utilities, franchises and other problems of exigent practice. Being a scholar and a man of science, Professor Schaper could not be blind to the requirements of the public interest and hence won the deadly enmity of private interests bent on depriving the public of its property without due process of law. Among the avowed foes so honorably acquired was Pierce Butler, the leading railway lawyer of Minnesota and by no accident a regent of the University.

Then came the World War. Professor Schaper opposed the entrance of the United States into that holocaust. In so doing he was within his rights as a citizen, however strictly interpreted. But when the government of the United States declared war against Germany, Professor Schaper complied with the law and advised his students to do likewise. Against the lawfulness of his conduct as a citizen no evidence was discovered or presented to the regents.

Nevertheless late one afternoon, without previous notice, he was summoned before the board of regents, subjected to a grilling without benefit of counsel, with Pierce Butler leading the attack, and summarily dismissed from his position. Professor Schaper was not confronted by witnesses or evidence; nor did the board even claim to possess incriminating evidence.

Like other professors expelled in the great storm, Professor Schaper suffered deeply. For years he was cut off from the pursuit of his cherished profession, and endured the insults of the ignorant and the vindictive. In the dark hours of unjust ostracism, few helping hands were extended to him. Having confidence in his character and abilities, while differing from him on matters of war policy, friends sought to find a place for him—without avail. After the war hysteria abated, he again found a place in the academic world—to the everlasting honor of the institution that opened its doors to him.

Now, he needs no gesture of justice from the University of Minnesota. Nor do I plead here for that gesture. It is the University of Minnesota, along with other universities, that is in need of justification by works. In the economy of the long ages, to which institutions of higher learning belong by profession and in truth, it is not what men say on ceremonial occasions that sustains the moral order; it is what they do in hours when passions run high and mobs thunder at the gates. By confessing that it charged Professor Schaper falsely in 1917, the University will give encouragement to all who labor for the maintenance of liberty in inquiry and teaching, and will, through forgetting the pique of pride, lift itself into immortality.

Professor Schaper was not a traitor to his country. He was not guilty of sedition. He gave no aid or comfort to the enemy. Before the United States entered the War, he exercised his rights. After that event, he discharged his duties. But personal enemies took advantage of the occasion to penalize him. The offense of the University lay in its failure to grant a fair hearing to Professor Schaper, to follow the proceedings of deliberation, to act upon evidence as distinguished from allegations. That similar offenses were committed by other institutions of learning was no excuse for this lapse from the plain mandates of correct procedure in such instances. By acknowledging its fault the University will pass no judgment upon the merits of the World War. It will do justice to a man. It will do more. It will erect a monument to freedom of inquiry.

Under this view of things, I express the hope that the regents of the University of Minnesota will correct the record and do full justice, for its own sake, for the sake of a man wronged, and, above and beyond, for the sake of education in our democracy and the humanity which it serves. Cynics will say that it is too much to expect an act of faith and justice from proud men endowed with power Even so, such expectations are sometimes fulfilled this side the narrow home, and if the sun of the new year rises upon courage in Minneapolis courage will be strengthened everywhere and for all time to come.

CHARLES A. BEARD.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Shoot the Works

Jersey City Puts on a Burlesque Show—Hague and His Henchmen Get Louder and Funnier —But Don't Forget Hitler

THE NIGHT before the Hague rally in Jersey City I saw Marc Blitzstein's operetta, "The Cradle Will Rock." In all fairness to Hudson County's little Hitler, I must admit that he put on a good show. It was the best burlesque I have seen since Gypsy Rose Lee went into motion pictures. But throughout the long evening of oratory I had a slight feeling that the Hague performance was a kind of plagiarism. He and his allies had taken Blitzstein's satire and broadened it and vulgarized it.

For instance I was able to accept Mister Mister of "The Cradle Will Rock" as an authentic figure, although I realized that there was a certain sharpening of the personality for dramatic effect. But in Jersey City the corresponding figure struck me as unreal. His name is Mr. John H. Allen and he is not only the head of the Jersey City Chamber of Commerce but, according to the information passed out at the press table, the president of the Everlasting Valve Company.

As soon as I heard that, I felt sure that I was being kidded. You couldn't put the "Everlasting Valve Company" into a book because the reader would say, "Don't turn cute on me." No more could you put Mr. Allen into any piece of fiction and get away with it. The caricature would be too broad. In fact I had a feeling that at some point in his address he would tear off his false whiskers and shout "Surprise! Surprise!" Let me put on the record two excerpts from the formal address of the president of the Everlasting Valve Company:

> Our Chamber of Commerce is as much interested in employee as employer, for though we in majority have important positions with our various companies we are employees just the same. . . . The splendid example set here in Jersey City is something that will bear fruit in many ways, and in many directions, meaning that in the presence of right and wrong, select the right and be courageous enough to follow on, letting the chips fall where they may.

How can anybody write satire in America when the people whom he would satirize talk in terms of sheer burlesque? All through the Hague rally there was a nightmare quality of something so farcical that it was almost obscene. The first person called to the platform to start the meeting designed to save Jersey City from the "reds" was introduced as "a prominent tenor from the Metropolitan Opera House." But there must have been some mistake, for he immediately picked up a trombone and played "When Irish Eyes Are Smiling."

He was followed by a four-year-old child who danced and sang, may Heaven forgive her, "The Merry-Go Round Broke Down." By this time I was beginning to pinch myself to ascertain whether it was Hague or myself who had gone crazy. Nor could I escape the feeling that Jersey City was a kingdom on the other side of the Looking Glass when Judge Carey, who as a Republican rival has called Hague almost every name known to politics, got up to pledge his devotion. Nor did I really expect to hear a learned jurist declare in ringing tones, "Poisonally I was born in Joisey City." The biggest hand for the Judge came when he asserted, "And I am not here tonight to attack the so-called Civil Liberty Union. Poisonally I haven't much faith in it. I am reminded of the Scripture, which say—" And on the platform nine fat clergymen beamed and banged their hands together.

At this point there was a little more community singing. The toilers of Jersey City were asked to join in the chorus of a song called "There Is a Gold Mine in the Sky Far Away." In case you are interested, it goes:

> We will find it, you and I, some sweet day
> There'll be clover just for you down the line
> Where the skies are always blue, pal of mine.

But here the band broke off and went into more serious music. Mayor Hague was coming down the aisle and naturally Sousa's "Stars and Stripes Forever" was in order. In spite of the cheer leaders the noise was less than deafening and Hague seemed old, tired and sick. He swung in his remarks from a strong persecution feeling to delusions of grandeur. At times he was Alexander weeping for more worlds to conquer and at other moments crying because labor did not love him.

The Mayor's grammar was not good, but his sentiments were even worse. Seemingly he has not kept up very much with current affairs. He was back talking about the Garland Fund and the feud between John L. Lewis and Brophy which occurred a good many years ago. However, he did succeed in getting on the record of his prepared speech one accusation against the president of the United Mine Workers which I must admit I have never heard before. Hague said that Lewis was "window dressing" and that he was completely controlled by John Brophy and the Communist Party. Roger Baldwin and Morris Ernst were identified as the twin dictators of the radical movement, which I think might well be a surprise to many, including Baldwin and Ernst.

It was all very comical and very silly. But it will not do merely to laugh Hague off. In the beginning people in Germany thought that Hitler was too preposterous ever to come into power. The fact that Hague is a clown and a man of meager intelligence does not shove him out of the picture as an actual menace to our democracy. Fortunately he has none of the talking skill which brought Huey to the front in this country and Hitler in Germany. But Hague has a low cunning and shrewdness as an organizer. His political machine is one of the strongest in the country and he has maintained power for more than a decade.

To a considerable extent, of course, he is window dressing. His strength comes from the gentlemen of the Chamber of Commerce Frank Hague has done as much as anybody to welcome runaway factories and keep the wage scale down. The alliance is unholy. It is comic in many of its manifestations. But it must be taken seriously. The voters must rid themselves not only of the Mayor himself but of his business buddies, the big butter and Hague men.

HEYWOOD BROUN.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Washington Notes

Wry After-Thoughts on the Court-Reform Plan—Why Has the Monopoly Drive Bogged Down?—Confusion in High Places

THE RETIREMENT of Mr. Justice Sutherland last week brought wry memories to leaders of the liberal bloc in Congress. As long ago as last March, they were informed through circuitous channels that Mr. Justice Van Devanter and Mr. Justice Sutherland were both anxious to retire, and would do so the moment Mr. Roosevelt's Court-reform plan was dropped. With Justices Brandeis, Stone and Cardozo, these two vacancies would have made possible a liberal Supreme Court majority. Shaking with excitement, the congressional liberals imparted the great news to Mr. Roosevelt's confidants. They were told in effect that the White House did not desire a negotiated peace, that it felt it was entitled to a clean-cut victory. In any case, two vacancies were not enough, since one would have to go to Senator Robinson of Arkansas, who almost certainly was a sympathizer with the power companies. Moreover, what guarantee was there that, if the Court bill should be abandoned, Justices Van Devanter and Sutherland would in fact retire? The congressional liberals withdrew in troubled silence, and magnificently, like a full-rigged ship of war, the New Deal rode on, to founder on a reef no bigger than Senator Bert Wheeler's upraised index finger.

In last week's Notes, the writer permitted himself a few yelps of delight at the speeches of Mr. Robert H. Jackson and Dr. Leon Henderson against monopolistic big business. He cagily prophesied, however, that the New Dealers themselves would be found to be vastly confused by the monopoly problem, and that it would be a long while before detailed legislation was enacted. He now finds himself in the embarrassing position of a prophet whose predictions came true too quickly. While last week's issue of The New Republic was still on the presses, Mr. Roosevelt gave his interview on monopoly of January 4, where in proud innocence he proposed that the heads of big business gather around a table to plan production. Listening to him was a horrendous experience. Mr. Roosevelt spoke eagerly, charmingly, and with each word the possibility of administration action against monopoly dwindled.

Mr. Roosevelt painstakingly stipulated that the heads of big business were to call on experts from the government to meet with them, and were to make use of the impartial statistics that the experts would provide. He insisted that the big-business heads would not be permitted to fix prices or allocate production, and emphasized that his proposal should not be construed as the revival, unchanged, of the NRA. With all respect to Mr. Roosevelt, however, the change from the original NRA would not be great. Any such meetings, with or without government experts, would almost certainly mean monopoly in fullest bloom.

As nearly as this writer can make out, the explanation of this tragic—there is no other word—reversal of policy towards monopoly must be looked for in Mr. Roosevelt's personal history. He has never had more than the most distant bowing acquaintance with business processes. As Assistant Secretary of the Navy, as Governor of New York State and as President, Mr. Roosevelt has sat around innumerable tables where bureau chiefs have submitted requisitions for the ensuing year, where fiscal officers have countered with estimates of government income, where a detailed program has been finally hammered out. To Mr. Roosevelt, such planning is familiar, sensible and good.

Back in 1933, a group of industrial-political enterprisers led by Mr. Bernard M. Baruch and General Hugh S. Johnson—who, in their turn, were conditioned by the War Industries Board—convinced Mr. Roosevelt that he ought to encourage big business similarly to plan production, sales and prices. Instinctively Mr. Roosevelt felt this to be an elegant notion. All his official life, he had approved the avoidance of waste. Seemingly it did not occur to him that, under capitalism, the admitted wastes of business competition can be avoided only at the risk of granting private corporations more power than the government ever dreamed of. When a unanimous Supreme Court poured scorn on the NRA, he fairly choked with stubborn anger.

Since the start of the present depression, Mr. Roosevelt has repeatedly been given information tending to reëstablish his faith in the NRA. He has been assured by business men—and by a few nominal New Dealers—that the great cause of the present depression is swollen inventories, an economic waste that business planning might have obviated. As his interview showed, this talk has impressed him. Mr. Roosevelt's advisers among the Jackson-Henderson anti-monopoly faction are credited with having spent almost a solid year in telling him what business planning amounts to. They are supposed to have explained that business planning, whatever beguiling phrases accompany it, usually ends in high prices, reduced output and unemployment. Unquestionably many segments of business have labored under excessive inventories in the last three and a half months, but how excessive would these inventories have seemed if prices had been set at a level at which consumers could have taken goods from the merchants' shelves? There is every reason to think that the standard arguments against monopoly have been thrown at Mr. Roosevelt by the double-handful. And the first conclusion to be drawn from his interview last week is that none of them has stuck.

Many observers think that he still believes in good and bad business men. Mr. Taylor of U.S. Steel, for example, is a good business man. So is Mr. Gerard Swope of General Electric, another virtual monopoly, and good business men ought to be permitted to plan to prevent overproduction and waste. On the other hand, in some mysterious fashion Mr. Roosevelt also manages quite sincerely to disapprove of monopolistic combinations. There is no good explanation of this inner confusion, unless it is in the quality of Mr. Roosevelt's disapprobation of monopoly. His gorge visibly rises at the spectacle of U.S. Steel "forced by competition" to make unneeded rails; he shows no similar anger over the fact that the price of rails is one of the most inflexible in the whole business economy. Monopoly to him appears to be theoretical, distant, something that concerns only the ten-percent minority of bad business men.

After the interview of last week, it is unnecessary to report that action against big business seems unlikely. Nevertheless, observers do not think that monopoly as a political issue will be dropped. It is too useful, for one reason; for

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

another, it could not be dropped, even if the administration wanted to. It concerns the whole problem of how immense concentrations of economic power can be reconciled with political democracy. Mr. Roosevelt may not succeed in making even a beginning towards solving it, but it will remain the greatest task before him.

Washington. T. R. B.

Other People's Money

Where Are the Hopes of Yesteryear?—A Pessimist Apologizes for His Optimism—Those Standard Oil Tankers

IT PASSES belief that all of that glamorous phenomenon known as recovery which gladdened the hearts of the forecasters at New Year's, 1937, can have passed away so swiftly.

I have two poignant recollections of the last twelve months in relation to this column. Some time toward the middle of last year I ventured to suggest that the rosy hopes of the New Year were fading and that the last half of the year would be less on the recovery side than the first. The statement was not at all dark, because I really felt that the recovery would continue throughout the year and that the break would not come until some time in 1938. I got a very abusive letter as a result of that mild estimate of things. Its general drift was that pessimism had practically driven me mad.

The other incident refers to our military features. I wrote a little piece suggesting that at the first sign of a returning depression, with the war clouds growing darker in Europe, the President would surrender himself to his natural militaristic inclinations and that he might well attempt to lead us off into a great armament program. I am accustomed, as most men are who write for magazines regularly, to getting letters of burning criticism. But never, I think, have I had a letter of such flaming abuse as this suspicion of mine provoked. My unhappy paragraphs, the correspondent informed me, revealed that I was capable of imputing any infamy to our great President. It was not unlike that blast which Senator Ashurst set off when some fiend in human form one day suggested in the Senate that the President might perhaps get around to packing the Supreme Court. Only, of course, my correspondent was far more brutal than the suave Senator.

Yet here we are—the depression already present and the great armament drive well under way. It turned out that I was not only not too pessimistic but actually excessively optimistic when I said recovery would be merely slowed up in the last half of 1937. And I certainly did not dream that a great war scare and an armament drive would be touched off so quickly and violently as the vigorous one now in motion.

Instead of being a suspicious and morbid pessimist, as my correspondent observed, I begin to think I am just an old optimistic and credulous softy. For recently I read that the Maritime Commission was proposing to pay what looked like a juicy group of subsidies to the Standard Oil Company to pay part of the cost of building a number of oil vessels. It has always been difficult for me to forget that the early subsidy grabs attempted and engineered by Mark Hanna in the days of McKinley and Theodore Roosevelt were engineered largely by a famous old Standard Oil worthy, Henry H. Rogers. I was innocent enough to suppose this was the old Standard Oil cutting in on some government change. And I wrote something to this effect.

It turned out, however, that I had done Standard Oil an outright injustice. They had not applied for any subsidies. The whole thing had originated, not with Standard Oil, or even with the Maritime Commission, but with the President and his pet, the Navy Department. Acting under instructions from the President and in collaboration with the Navy Department, Mr. Joseph P. Kennedy had gone to Mr. Walter Teagle, of Standard Oil, and requested that he bring together the oil-industry leaders. The President wanted to get twenty oil tankers built for naval use. In the event that we should have to go to the Philippines to do battle or to the China Seas or some interior lake in the heart of China for a little shooting, we would need fast oil tankers. We could commandeer the tankers of oil companies now in existence, but they are not fast enough for such distant expeditions. The oil companies are always building tankers, but they are satisfied with a speed of thirteen knots, while the navy, for any sort of distant operations, wants eighteen knots. It was urged upon Mr. Teagle that he propose to his petroleum colleagues that among them they build twenty oil tankers on naval plans and that the government would pay the difference between the cost of a regular industrial tanker and a navy tanker. Most of the oil companies declined the invitation. Three or four were willing to build a tanker or two. And so Standard Oil, which had been more or less induced to underwrite the program, found itself stuck with building twelve tankers.

This was before the "Panay" incident. It was before the President and Mr. Hull went to war almost alone. It reveals the President at work cooking up his war-preparation plans. And, of course, we see him now using the "Panay" incident to inflame the popular imagination behind an armament program—a program which, I was told three months ago upon the most excellent authority in Washington, would be launched as part of a spending technique if the threatened depression developed.

Over and over we get more and more evidence that anything can "happen here." We are already in the very midst of a major depression, with, at the very least, somewhere between nine and eleven million people unemployed, and we are also in the midst of a war scare and an armament drive with men like Senator George Norris actually approving the naval expansion and The Nation giving a word of encouragement to it.

As for the depression, it is not possible to find another instance of a crack-up in business so sudden and so extensive as the decline that has taken place since August 15. In that time—four and a half months—business activity has gone down farther than in the twenty-one months following the October, 1929, crash.

We face the shocking possibility of twelve to fifteen million unemployed persons by June. We have on our hands now a frustrated Messiah. No human being can possibly tell in what direction he will jump—or how far.

JOHN T. FLYNN.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Mercury and London

Time and the Conways, by J. B. Priestley. Ritz Theatre, January 3, 1938.

The Shoemakers' Holiday, by Thomas Dekker. Mercury Theatre, January 1, 1938.

The Cradle Will Rock, by Marc Blitzstein. Windsor Theatre, January 3, 1938.

WITH NO touch of irony I must confess I feel a certain touch of shyness in writing of "Time and the Conways," for I do not know where I am with it. This play of Mr. Priestley's has been running in London to marked applause, and has started off here with some mild degree of praise. In the second-night performance, however, that I saw, the audience sat through the whole first act in an apathy such as I have rarely seen in the theatre. There were perhaps even hints of embarrassment during that prolonged episode of a charade, with a few dramatic motifs emerging through a weak vapor of characters and coyness, and that curious British effect of stage people who seem to be saying to one another, "If you'll think I'm interesting I'm willing to think you are." The two remaining acts improved, though very mildly.

I will say that either a good many implications are intended, meanings afforded and realities created, that I missed, or else this drama is arbitrary in technique, hit-or-miss, self-complacently muddling through, pretentious, and intellectually obvious. For that matter I could not even tell whether the author meant me to take his character-actors and their clothes as attractive or as studies in realism. The second act is in the present, with the family gone off morally and materially; the first and third acts are in 1919. A suggestion enters of prophetic insight into the future. Is that suggested theme supposed to imply any particular subtlety? It seemed as stage device most obvious, as well as stale. And does Mr. Priestley think the theatre a place where the writer rests, drifts, coquettes, whimsies—this theatre art where indulgences are so perilous?

The virtues of "Time and the Conways" lie in a certain element of tender insight and analysis where character is concerned, a certain possibility at least of subtlety in the motives, and a drift toward high-mindedness in the allusions. But what of that if the result is spineless tosh?

To compare the mooning vivacity of "Time and the Conways" with the writings of Benevente or Pirandello, as older Continental dramatists, is devastating; but to compare it with that other London piece of three hundred and thirty-eight years ago, is sad enough. "The Shoemakers' Holiday" has none of that silly waywardness of indulged personality, none of that non-cerebral, super-seeming, pseudo-leisurely air, or of that bold contraception so far as the dramatic issue goes, which makes this London piece of nowadays so discouraging. Most of all, the Elizabethan play knocks the other flat with sheer words, the native tongue, the life and currency of vibrant speech, this roaring, singing thing that was to die out on the English stage, out of most English writing indeed, was to be emasculated in puritanism, and later smothered in petticoatery, Teutonics and parsons, not to mention middle-class dullness.

The play that Dekker wrote, so rambling, vegetous and biting, has been cut from its dated excess to a length more discreet, and has had its main accents strengthened with a fresh approach to the whole of it. The acting is, naturally, not at all equal in skill and finality; but the evening has been so studied and tightened into a compelling whole that almost all in the company seem good enough, all non-competitive, and bent on all our pleasure. This effect of spontaneity and fun rather than competition is a brilliant achievement. The dramatic movement and stage analysis is never prolonged or academic, but is swift and certain in outline; the pattern is constantly gay with gusto and wits, the total effect one of poetry that derives from a vital inner bounce, a festival surface and a love of life.

The setting for the piece consists of a permanent stage with houses, as it were, intersected with divers side entrances or streets, a sloping ramp between. It is very much in the tradition of Palladio's theatre at Vicenza, for all that sixteenth-century elegance and Roman learning which Inigo Jones brought later to England. The unpainted boards, or sidestrippings, with the spaces left between, make beautiful walls; the entrance and exit and scene-changing arrangements are charming and swift. Miss Millia Davenport's costumes are what one rarely sees anywhere: they are genuinely dramatic. They heighten the scene, they vary themselves, they act. The problem of dramatic costume, costume in comedy, for example, parallels exactly that of dramatic humor. There is the costume that is comic, the costume that is also comic in relation to the character, the costume that is comic in itself, in relation to the character, and in relation to the character at the given point in the play. On most of these points the theatre usually breaks down, the costumes are mere clothes.

Mildly accusing, in our flaccid theatre culture, is this production of an old play, but gusty and encouraging for all that, what with Mr. Welles, Miss Davenport, Mr. Hiram Sherman as Firk the journeyman, Mr. Whitford Kane as master shoemaker, Miss Ruth Ford as the young wife, and others. And there is no condescending, no coyness, but sheerly brains, theatrical insolence and a distinguished sense of design.

The whole procedure of Mr. Marc Blitzstein's opera, "The Cradle Will Rock," comes freshly across the footlights, and dull would he be of soul—antiquated red poetic rag as that may be to the Newist bull—who could pass by the living theatre here presented. It makes one proud, makes one swell, believing in the reality of talent and impetuosity, chances taken, and the assertion of vividness. The composer plays the piano—always softly indeed, for some strange reason in so violent a theatre case—the opera goes on scene by scene, the vignette events and graphic dramatics are clearly revealed. Great talent goes into this piece; you never nod, never try to send your thoughts elsewhere, never mistrust. Only at the very last of the piece is there an explicitness that, though it 's common elsewhere to those without creative foresight, cuts down our response. We have a feeling that leftist productions tend toward a case too simple; life cannot ever follow such clean-sweeping terms.

In the freedom, bright courage and innovation that Mr. Blitzstein and his director, Mr. Orson Welles, have imparted to this venture, in which all sorts of power and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

beauty appear, partly achieved now, partly as prospects for the future—we may feel high hopes. Into this mordant and exhilarating mass of effects Mr. Blitzstein may now, for his next composition, put more passion and simple persuasion. "The Cradle Will Rock" is not so good as the quality that might be developed from the beginning it suggests and partially affords. But it is, nevertheless, a living theatre thing; they are rarely found. STARK YOUNG.

History and a Musical

THOSE Russians are here again with one of the things they do best in all the world—the life of people, rude brawling types from the history of their country—though they have never done a film like this "Peter the First" before. It is a straight historical story without any open reference to toiling masses, workers arise, etc.; it is simply the first modern Tsar as he himself might have looked on his own work. The story picks him up at the turning point in his war with Charles of Sweden and takes him through victory, reforms, the building of Petersburg, to the birth of Catherine's son.

The main characters are Peter, Menshikov, the mad Tsarevitch, Catherine and incidental boyars and merchants, soldiers and serfs. Besides war, politics and dynasty, there is a thread of love-story around Catherine, stolen from a muzhik by a field marshal, from him by Menshikov, finally appropriated by the Tsar himself. Packed in all the chinks are incidents bearing on the life and work of Peter's time, shrewdly true. He melts church bells to make cannon, squeezes the merchants and thunders at the great stubborn boyars; he is infatuated with European methods down to the point of cutting off beards and enforcing coffee drinking. He breaks through to the sea, imports navigators and shipbuilders and bankers, he opens mines and works in the foundry himself: navigation and seamanship fascinate him. He is a rough driving tyrant with a new national idea, and if there is any shadowy parallel of modern lesson, it is to be found in Peter's words to his son: "If in this great work I have been cruel, forgive me. . . . There was so much to be done—there was no time for pity."

As history this is the best historical film ever made: the whole time seems to come to life in all its misery and filth and boisterous vitality. The backgrounds have a logical unity of tone that gives the seeming of impeccable recreation (all that is necessary) and the types of people are so various and natural and at times monstrous that it is almost a story in itself to watch them. Nikolai Simonov's Peter is a great roaring broth of a man, yet subtly conceived—an actor's triumph. Right along with him are M. Zharov, Nikolai Cherkassov, Alla Tarasova, etc.

Vladimir Petrov (he collaborated with Alexei Tolstoy on the script) has directed his material into a good simple line. But there is a certain ponderous quality here that helps disperse the more intense emotions. Many scenes should have been cut in half, particularly the long group scenes. For example, establishing the point of General Laughter should never take ninety odd feet of film; and the exact demarcation between when an audience is absorbing a point and when it is beginning to weary of it has always been a blur in the minds of Soviet film men. At the same time, in at least two places a change of character or of fortunes has been established in a slovenly way; and the mighty muzhik is never properly accounted for in the story. Add to this the fact that the "once upon a time" form may achieve truth and still miss organic drama, and you may understand why this is grand to see, but still does not shake the house.

There should be mention of the thrilling scenes of the hall of the boyars and the merchants, the church bells and square below, the balls, revels and rides. Best of all is the difficult tough realism of seeing the past as a time of turbulence, power, even glory—but not glamor. You will appreciate Old Russia without yearning to live in it.

One record-breaker predictable for 1938 is the fact that Warner Brothers has made a good musical: "Hollywood Hotel." You can believe it or not, but the picture has Louella Parsons and Dick Powell; and the story is that familiar turkey about a young singer who makes good in Hollywood. Yet it's fresh and at times irresistible—it is even a musical comedy with comedy.

There are times when the referee counted up to at least seven on it. The Raymond Paige interlude of a seventy-piece dance band playing a "symphonic" arrangement of "Dark Eyes" will go down in musical history as the famous Long Count. Personally, I could count up to forty in any five seconds that they let that horribly active corn trumpet man, Johnnie Davis, loose at the camera. And they cut the best sweet tune out of the show altogether: "Can't Teach My Old Heart New Tricks."

The story works out this way: Open on Benny Goodman's band, coming to the airport to see Dick Powell off to Hollywood, playing in cavalry formation, each man in a separate open car (production, get it? I'd have said that this was one band impressive enough not to need that sort of horsing around; but the boys themselves thought it was rather trick, so I suppose there's no harm done). Cut to the L.A. airport, the press agent, the lot. Powell wouldn't have had a chance, but the studio's glamor girl has walked out just before the première and they get her double to do her act—escorted of course by the new sap. He falls in love with the double, but into the soup with the studio. A long story, ending up with his washing dishes in a dog stand, Benny coming to Hollywood, comedy characters popping up all over the place—Ted Healy, Hugh Herbert, Alan Mowbray, Mabel Todd, Edgar Kennedy, Allyn Joslyn—boy and girl's finally getting a shot on the Hollywood Hotel program. Music, lights, love and fade.

What is so good about it is the sprightly comedy and cock-eyed character and situation of the writers' conception. In carrying this out, Ted Healy, the late lamented, is one of the mainstays—the lines are good, but no one else could give them quite the same drive and timing. Other fine troupers keep the ball rolling between whiles and Dick Powell for about the first time is kept down to modest exploitation of his modest talents. But what above all makes the picture for swing fans is the large spots given Benny Goodman and his boys (about four numbers, not counting reprises and including a fine job of photographing and recording the quartet). In addition to Ted Healy's sallies ("Go ahead, drink your milk, bottle and all"), I count

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

among the year's comic treasures Alan Mowbray's magnolia sequence and its follow-up, the character of Mabel Todd, Hugh Herbert's grand entrance into the Orchid Room reception. And there are too few examples of such good taste and invention in the field as the wading scene or the big production member for "Let That Be a Lesson to You." This must be the best musical since "The Gay Divorcée."

OTIS FERGUSON.

The Bandwagon

Even if Germany had no just claim to colonies, the Third Reich, by its very existence, would be entitled to demand colonies because without colonies there is no peace and the Third Reich wants peace.—*General Franz von Epp, leader of the Reich Colonial League, reported in a dispatch to The New York Post.*

The woman who may receive a moderate increase in her wages is officially told that if she is to live adequately they should be much larger. It is a condition hardly conducive to a contented state of mind. It may lead to a conviction on the part of employees that they are being denied what is rightfully their due.—*From an editorial in The Boston Transcript.*

The remuneration of persons employed in houses of ill fame is not taxable for unemployment compensation, the Indiana Unemployment Compensation Commission has ruled. . . . The Indiana ruling held that as a "practical matter, the problem of reëmployment would be fraught with some ramifications."—*From a news item in The Indianapolis, Ind., Star.*

SWEET USES OF ADVERSITY

J. Walter Christie, 70-year-old inventor, ran his hand lovingly along the steel top of an army tank and said:

"Here she is—the fastest land weapon anyone has ever seen. It's taken me five years and all my money to build her. I hope her only use is for peace."—*Associated Press dispatch from Westfield, N. J., published in The Washington Evening Star.*

JERSEY CITY RECOGNIZES SOME CIVIL LIBERTIES

"While the testimony concerning the handwriting tends to show malconduct and fraud," said Judge Thomas Brown, "I do not feel that any connection has been made to vitiate the ballots."—*News story under the heading: "32 Jersey City Ballots Cast by a Single Person," printed in The Daily Worker.*

EXPLANATIONS OF THE DEPRESSION: I

Mr. Kennedy has not helped the New Deal cause, whatever that is, by his vulgar attacks on administration critics. It is such language that is responsible for this business recession.—*Editorial in The Jamestown, N. Y., Evening Journal.*

Our readers are invited to contribute to this column and $1 will be paid for each item used. Address The Bandwagon, care of The New Republic.—THE EDITORS.

CORRESPONDENCE

Wanted: Modern Automobiles

SIR: For all its alleged ability in management and in inventiveness and in meeting public needs, the automotive industry would seem to have sadly misjudged public needs and public wishes, according to Dewey H. Palmer's showing in the article you published January 5, 1938. It is quite evident that the public as a whole does not really care for the longer, larger and supposedly more luxurious cars which are being offered; that there is a real and almost entirely unsupplied demand for something quite different. The manufacturer who supplies this demand first will probably capture large business and large profits, while others fool around trying to ballyhoo minor changes in car styles and unimimportant gadgets.

There is undoubtedly a large market for a good modern car of about the size, weight and power of the Model A Ford or the 1928 Chevrolet: a really well built four-cylinder car with plenty of attention given to safety features and salable at a price of about $450 delivered. It need not be long in wheelbase; in fact an urgent need in view of present congestion is a drastic shortening of wheelbases and overall lengths.

Modern engineering ability is certainly equal to providing comfortable riding without long wheelbase, by proper use of springs and spring-recoil brakes. With due attention to visibility, with brakes that would be oversize even by 1938 standards, with body design allowing plenty of luggage space, it should be possible to bring out a really good small car to capture a market hitherto filled only badly—and at that by putting users to the cost of maintaining used cars of excessive size and weight.

Verona, N. J. STEPHEN G. RICH.

The Wages-and-Hours Issue

SIR: Your editorial "National Minima for Labor" [The New Republic, December 1], inspired by Harry Weiss's "What Kind of Wages-and-Hours Bill?" attains a new low in "liberal" —pardon, my error—"progressive" tightrope walking. If there is one sphere in which the attempt to play both ends in favor of the middle simply cannot fuse the reactionary needs of capital with the elementary dictates of humanity, that sphere is economics. Your editorial proves the point to the hilt.

The argument of business is plain enough. The welfare of capitalism is bound up with decreasing costs, lower prices and stimulation of the capital-goods industries. Increased employment and consumption are by-products of the restoration of profitability to business. Professor Sprague broke with the Roosevelt administration on this question. The New Republic broke with Professor Sprague. Now the administration is veering in the direction of Big Business and Sprague. So is The New Republic. Why not come out and say so?

The argument of labor is plain enough, too. Shorter hours and higher wages mean reëmployment, mass purchasing power, a higher standard of living. The stimulation of the capital-goods industries and increased profitability are by-products of the restoration of mass purchasing power. This is the economic philosophy which underlies maximum-hour and minimum-wage legislation as well as "pump-priming" in general. The Roosevelt administration, until the recent recession, supported this view. So did The New Republic. In supporting this view, however, there was no need to walk the tightrope: Was there ever an issue to fire the imagination of a "progressive" weekly that had the interests of labor and capital equally at heart? Here was idealism (the cause of labor) infused with practical sense (the cause of capital).

The argument of business is strong on the economics and weak on the idealism. The argument of labor is weak on the economics and strong on the idealism. Unfortunately, however, there is no way of combining the best features of both. If capitalist prosperity is what you want, then you don't support any proposal that will increase costs and prices; if the well-being of the workingman is your object, then you don't preach to him that an hours-and-wages bill will increase labor costs, decrease employment, and warn

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that it is "perilous to place too heavy a burden on costs." In adopting the Sprague line of attack, why not be consistent? More than that, why not come into the open and say so in so many words? As long as you belonged to the "high wages and shorter hours" school it was possible to ride both horses, capital and labor. Now it can't be done: you ride one or the other.

Labor may still believe that higher wages and shorter hours are the road to salvation for both labor and capital. It will learn soon enough that capital's salvation does not lie along that road. When labor learns, however, that its own demands for higher wages and shorter hours are opposed to the interests of capitalist prosperity, will The New Republic support "the cause of labor"? And, by the way, why not begin now—now that The New Republic has learned this lesson?

New York City. HAROLD MAGER.

[Mr. Mager is thoroughly confused, both as to the position of The New Republic, past and present, and the economics of the situation. Our belief has been, and remains, that for improvement of the status of labor whether under socialism or capitalism three things are necessary: (1) higher wages and shorter hours, (2) increased production, (3) prices that fall, or do not advance so rapidly as wages. It does little good to change wages and hours unless production and prices are also under social control, or react in the right way without such control. We criticized the NRA on this ground—that the improvement of wages and hours which accompanied it was largely offset by the restriction of output and the price increases which it favored. We now point out that drastic increases in wages or reductions in hours would enlarge unemployment rather than the contrary, as long as production is falling and prices are too high. We quote from the editorial in question: "Without a method of successfully expanding production and regulating prices, we are likely just to chase our tails by boosting wages and reducing hours." Surely that is one point which anyone familiar with economics, whether a follower of Adam Smith or Karl Marx, would accept. At the same time, of course, we point out the usefulness of minimum wages and maximum hours in preventing extreme exploitation and setting a bottom to the downward spiral.

It never seems to have occurred to Mr. Mager that it is possible to have higher real wages, lower unit costs and lower prices at the same time. But this ought to be the outcome of technical advance and expanding production. If it were the outcome, there would be a continual stimulation of the capital-goods industries—which, by the way, may be just as desirable under socialism as under capitalism. The fact that the institutions of capitalism so frequently hamper this outcome is the gravest charge against them.—THE EDITORS.]

A College Sophomore Looks at War

SIR: I can't kid myself any longer. When war comes (and I'm almost positive it's *when* and not *if*), I'll be swept away in the tide of hysteria. Up to now I've been fighting the very thought of war, like a little puppy tugging and jerking and twisting at a piece of rope—blindly, savagely. But every time I pause to take a fresh breath to get a new start, a new chokehold on the thing which angers me, I feel, a sort of vague, restless churning deep in the pit of my stomach which tells me that all the time I'm losing my grip.

I was taking a deep breath when the "Panay" was bombed and sunk. The stench of that incident was as powerful as a whiff of ammonia. And it did something to me. Before then I had always been able successfully to catch my breath and renew the struggle —when Italy invaded Ethiopia; when the Spanish war broke out; even when Japan was beginning her second invasion of China. But this time the breath of air was overpowering; it showed me just how I really felt towards it. Not the *me* that has been so bitter against war. It was a different *me*. A restless, revengeful, quickly angered *me* whose blood boiled every time the thought of that incident popped up. . . .

No, I'm not going to be the first to make a step towards war—but neither am I going to be the last. When I'm calm I'm still as bitter against war as always. When I look at it rationally I know there's no really good reason for war. But this week, I found that I am human. And being human, I can feel hysteria growing within me. . . . Perhaps I should feel small for letting myself sink into this mood. I don't know. But I can't kid myself any longer.

Seattle, Wash. ALAN JOHNSON.

"The Flivver King"

SIR: It was good to see a page devoted to a review of Upton Sinclair's "The Flivver King" [December 8, 1937]. Robert Cantwell's review of this novel is excellent, but I take exception to his concluding paragraph.

Many will remember the critics who slashed at Sinclair's ending of "The Jungle" because he tried to solve all the cankers eating at the vitals of society. Now Robert Cantwell sighs because Sinclair made no attempt at solving the problems of unionization in "The Flivver King"! Are the critics reversing themselves now by insisting that the novelist solve the various social problems? Are they asking that the propaganda novelist exclude every vestige of art now and preach in every sentence? . . . Let Homer Martin and his associates do the organizing of the automobile workers. That's what they are for. If John Lewis and Homer Martin fail, I hope the blame won't be placed on Sinclair's shoulders.

Neville Island, Pa. MELVILLE KRESS.

"Plant in the Sun"

SIR: There is an error in your otherwise fine review of the one-act play "Plant in the Sun," in your issue of January 5. The play was a prize-winner in the New Theatre League play contest, not in a Theatre Union contest. This bears correction because previous New Theatre League prize-winners have been such plays as "Waiting for Lefty," by Clifford Odets, "Bury the Dead," by Irwin Shaw, and "The Cradle Will Rock," by Marc Blitzstein. And the playwright, Ben Bengal, was not mentioned by name. . . . "Plant in the Sun" will be presented by the New Theatre League on a series of Sunday nights at the Mercury Theatre beginning late in January.

CARL LERNER,
New York City. for the "Plant in the Sun" Company.

The Bedaux System and the WPA

SIR: I wish to bring to your attention an amazing similarity between work on the WPA sewing project and the Bedaux system as described by Harlow S. Person in your issue of November 24.

Mr. Person describes the basic features of the Bedaux system as simple:

> The installer [he writes] makes a time study of operations. Eventually there is developed a B for each operation—the standard output for one minute of time. Sixty B's constitute an hour. This is the standard, or required, production for which a guaranteed basic rate is paid. This, however, is not the normal or expected performance, which is generally an 80B hour. If a worker makes an 80B hour he receives a bonus.

Mr. Person further adds that with weak management this system brings exploitation and that in the textile industry it has become the stretch-out.

Compare this system with the sewing project on the WPA. I quote from The New York Times of October 13:

> Production units will be set up among workers in the upper sections and their total accomplishment in the four-week period will be measured against predetermined standards. The members of the units with peak output within the period will be eligible for a 10-percent increase. Where a single member of a production group holds back the records for the group the supervisor is authorized to transfer him to a lower classification.

The 10-percent increase consists of $4.03 a month; from $55.80 to $59.83. The project has dismissed more than a thousand workers. The sewing centers have been consolidated. More power machinery has been installed. The speed up has been instituted with almost a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

two-thirds increase in production. Lunch hour has been restricted to a half-hour. A five or ten-minute rest period after five hours at the sewing machine is refused. Women are watched when they go to the toilet.

Thus the WPA, which was instituted to give employment, cuts employment, institutes the speed-up and competes with the worst of private employers in vicious labor standards. Do you think that Mr. Harry Hopkins would answer through your columns why he allows Colonel Brehon B. Somervell to do these things?

OSCAR R. FUSS, Vice-President,
New York City. Workers' Alliance of Greater New York.

SIR: There is no similarity between the Bedaux system and the one used in our Sewing Shops. The basic difference between them is that the Bedaux system aims at the elimination of workers who fail to maintain a maximum production, while the WPA system is designed to fit workers to return to private employment by encouraging them to maintain a production which will make the worker one to be desired by the private employer. Under the WPA system no minimum of production is set for those who receive the basic wage. For those who exhibit more skill, a 5-percent increase over the basic wage is offered, and for those who exhibit the most skill a 10-percent increase is given. The minimum production for those receiving the 5-percent increase was fixed at 30 percent less than the normal production in private industry for workers engaged in the manufacture of women's garments, and at 50 percent less for those engaged in the manufacture of men's garments.

These minima were only about 15 to 20 percent more than the average production prior to the undertaking of our present system. Only a few of the workers participating in the system failed to meet the quotas. Many of them exceeded them by as much as 100 percent, and the average increase for the entire group over the quotas was 27 percent. It will thus be seen that the quotas are well within the abilities of the average worker.

The WPA system was established with the approval of the leading textile-union officials, and upon the premise that those workers who showed the necessary aptitude would be taken into the unions and that jobs would be found for them in private employment. It has the hearty approval and coöperation of an overwhelming majority of the workers themselves. We believe that the results of the system will justify the existence of the Sewing Project as useful work, and carry out one of the principal aims of the WPA, which is to preserve and improve the skills of the workers so that they may reënter private industry.

The statement of Mr. Fuss that "the project has dismissed more than a thousand workers" is false, and he knows it is false. A thousand workers were dismissed from this project during the general reduction of all WPA forces that took place in June, months before the present system was inaugurated. Since the system has been in effect, that is, since October 27, no one has been dismissed.

New York City. BREHON SOMERVELL.

From The New Republic Mail Bag

Melville Kress writes from Neville Island, Pennsylvania, to say he thinks "The New Republic is publishing the sanest stuff about war that I know of." . . . M. Harris Cohn of New York City feels that our editorials about the Russian purges have not expressed sufficiently severe disapprobation. . . . R. C. O'Brien of New York City, commenting about the problem of the next world war, says, "The philosophy of a lot of world leaders today seems to be that the best way to keep cool is to sit on a powder keg and fan yourself with a blowtorch." . . . Charles F. Wright of Palo Alto, California, has a plan to make every Saturday a holiday, known as "Recreation Day," to give everyone a worth-while week-end. . . . Duane Berry of New York City takes issue with the letter by Luigi Criscuolo (January 5), disagreeing almost sentence by sentence with the philosophy it contained.

An anonymous correspondent in Atlanta, Georgia, tells of the plight of a widow in that city, a white-collar worker with a monthly salary of $90, who has been unable to rent a small apartment in the Techwood Housing project because her income is below the prescribed minimum. . . . H. J. Kubiak of Madison, Wisconsin, sends us a long letter about the situation of the Jews in Poland, filling out the description of their plight outlined by Herbert J. Seligmann in his article "Jewish Faith—Christian Civlization" (December 8). . . . John Nicholas Beffel writes from New York City to inform us that new evidence has been discovered which, according to the Kentucky Miners' Defense, proves indisputably that the four Harlan County union miners serving life sentences for the Evarts battle cases were framed. . . . Clinton J. Taft, director of the Southern California branch of the Civil Liberties Union, urges New Republic readers to protest to James L. Houghteling, Commissioner of Immigration, about the threatened deportation of Marcus Graham, editor of Man. . . . Dr. L. A. Eldridge Jr., of Great Neck, Long Island, calls our attention to the comments on the news of Bryce Oliver on WEVD, Tuesday, Wednesday and Thursday at 8 P.M. . . . Hyman Kaplan of New Haven, discussing Francis J. Gorman's reply (December 3) to an article by Mary Heaton Vorse, says, "the fact remains that the textile workers in some of the large centers of the industry had some very disappointing and discouraging experiences with the United Textile Workers." Mr. Kaplan speaks as a former organizer for the UTW. . . . Henry Stoner of Barberton, Ohio, in the course of a study of American bureaucracy, has arranged the federal agencies in alphabetical order by initials. The list begins with the ABMC (American Battle Monuments Commission) and ends with the PWA; "the complete story of *homo sapiens Americanus* during its recent years—first war, then relief."

Dana Doten of Montpelier, Vermont, commenting on the recent exchange of amenities between Robert Hillyer and Granville Hicks, points out that there are numerous literary figures "who have been goaded into taking sides in matters quite alien to their natures, and who are more uncomfortable and confused by this necessity than the opposition can possibly be. Since they would, obviously, have no value as converts, for Heaven's sake can we not desist from struggling with them?" . . . The Los Angeles Branch of the American Artists' Congress sends us a clipping of a review of their recent exhibition clipped for the December 19 Los Angeles Times as a demonstration of the way in which "the well known editorial policy" of the paper "influences its 'cultural' departments." . . . Margery Dallet Goldstone of New Orleans tells of the formation of a unit of the League for Peace and Democracy in that city. . . . Raymond Otis of Santa Fe expresses his approval of Morris L. Cooke's two articles on "Eddies in National Power Policy" (December 22 and 29).

We have received a new monthly magazine, Direction, devoted to the work of "writers, artists, scientists, constructive thinkers in all fields who express the needs and emotions of the day and take some part in the building of the future." The contributors to its first issue include Theodore Dreiser, Le Corbusier, John Dos Passos, John Hyde Preston and Walter M. Hinkle.

What's on the Air?

Representative Hamilton Fish speaks on "Depression and Its Cure," Friday, January 14, 10:45 P.M., CBS.

Senator Robert M. La Follette, Senator Ernest Lundeen and Representative Herbert S. Bigelow speak in connection with the conference of the Joint Committee on Unemployment and Taxation at Washington, Saturday, January 15, 2 P.M., CBS.

Herbert Hoover addresses the Women's National Republican Club luncheon, Saturday, January 15, 3 P.M., CBS.

J. Edgar Hoover, Judge Camille Kelley and Mrs. Maude Ballington Booth speak on "Crime Prevention and Parole," Thursday, January 20, 4:30 P.M., NBC-Blue Network.

Musical programs of the week include the Metropolitan Opera broadcast of Puccini's "La Boheme" with Grace Moore and Bruno Landi, Saturday, January 15, 2 P.M., NBC-Blue Network; the fourth in the series of symphony concerts conducted by Arturo Toscanini, Saturday, January 15, 10 to 11:30 P.M., NBC-Red and Blue Networks; the Philharmonic-Symphony Society of New York, Sunday, January 16, 3:30 P.M., CBS; and a program, "Songs through the Ages," a historical survey of choral music, presented by the Westminster Chapel Choir, Wednesday, January 19, 1:45 P.M., NBC-Blue Network.

All times given are Eastern Standard Time.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BOOKS IN REVIEW

Mr. Huxley's New Jerusalem

IT SEEMS to me that most reviewers, whether they praised or disparaged it, have totally missed the point of Aldous Huxley's "Ends and Means."[1] And it seems to me too that the author helped to lead them astray by describing his new book as "an inquiry into the nature of ideals and into the methods employed for their realization." Judged on that basis it seems well intentioned, even noble, but at the same time badly argued, badly constructed, unscientific, often illogical and generally crammed with platitudes and misinformation. In spite of these faults it has a semi-hypnotic quality—not so much a persuasiveness as a compellingness—that is hard to explain at a first reading.

Going through the book a second time, I found the key to it on page 143, just at the end of an eloquent chapter that discusses the causes and the nature of war. The cure for it, Huxley decides, will have to be psychological:

> Wherever we turn we find that the real obstacles to peace are human will and feeling, human convictions, prejudices, opinions. . . . Our world oscillates from a neurasthenia that welcomes war as a relief from boredom to a mania that results in war being made. The cure for both these maladies is the same—the inculcation of a cosmology more nearly corresponding to reality than either mechanomorphism or the grotesque philosophies underlying the nationalistic or communistic idolatries.

These are big words but their meaning, in the context, is simple: *If you want to stop war, start another religion.* Here is the "good end" and here the "appropriate means" proposed by this book. Essentially it is the testament of a new synthetic church, with Aldous Leonard Huxley (*b.* in 1894, educated at Eton and Balliol, Oxford) as its bookish Gotama Buddha and its non-polygamous Mohammed.

That seems a curious role to be played by a writer who used to be known as a chronicler of disenchanted and disappointing adulteries; as the inventor of Gumbril's Patent Small Clothes. But the prophetic note was already there, even in his poems and his early novels, if anybody had tried to look for it. Remember the masque that interrupts the story of "Antic Hay"? The hero of the masque is a very human Monster, wealthy but neglected, who insists on saving the world through love—

> With love I recreate the world from within. Europa puts an end to squalor, Leda does away with tyranny. . . . After establishing these reforms in the social sewer, I climb, I climb, up through the manhole, out of the manhole, beyond humanity . . . up, up! *(And the Monster, suiting the action of his words, climbs up the runged back of his chair and stands, by a miraculous feat of acrobacy, on the topmost bar.)* I begin to see the stars through other eyes than my own. More than dog already, I become more than man. I begin to have inklings of the shape and sense of things. Upwards, upwards, I strain, I peer, I reach aloft. . . . *(As he shouts these words, the Monster falls heavily, head foremost to the floor. He lies there quite still.)*

Like his own Monster, Huxley is establishing reforms in the social sewer and then climbing out of it through the manhole. He is straining upwards, upwards, without being too sure of his balance. And he is exhorting others to follow his pathway toward the stars.

When his book is judged not as an inquiry but as a scripture, it suddenly assumes an intelligible form. The first nine chapters, up to and including the discussion of war, serve as a picture of the present world and the futility of our efforts to reform it. The last six chapters—more than half the book—are a program and prayerbook for that new church by means of which the world can be saved. Huxley believes that his church will be established and spread by little bands of devoted individuals gathered into religious communities. All these communities will accept the same creed and will take the monastic vows of poverty, obedience and something not quite chastity but pretty close to it. They will spend part of their time in religious meditation modeled after Zen Buddhism, and part of it in business enterprises conducted on scientific lines, with plenty of capital. They will create an industrial democracy, fight war by non-violent methods and, in general, build a new Jerusalem in England's green and pleasant land.

That is Huxley's plan for saving the world: vastly more agreeable than most plans, but most certainly the vision of a prophet rather than the blueprint of a social engineer. Once this fact is realized, the faults of the book are explained, and some of them are even transformed into virtues. Thus, the bald, repetitive style ("It is time now to consider"—"Let us now briefly consider"—"I will proceed at once to the consideration of my next topic") is one that has proved effective in religious exhortation. The descent into platitude ("Birth control has reduced the size of the average family"—"New methods of transportation have profoundly modified life in the village and small town") is a means of assuring his audience that Huxley is, after all, a sensible fellow, even if inspired. The authorities he quotes (some of them honest and able but others easily identified as quacks, shamans, charlatans and faith-healers) are those who share Huxley's religious impulse. His lumping together of fascism and communism and his fierce attacks on both are explained by their being, in his own word, "idolatries"—that is, rival religions.

There is simply no use arguing about what he says. Either through common sense or else by inspiration, Huxley is sometimes magnificently right where others are wrong, but he can also be stupendously wrong where others are right. In neither case do his conclusions rest on logic, evidence or history. He goes to the length of condemning all history, since, "At the present moment of time, the 'historical' is almost unmitigatedly evil." There are pages in which he seems to be saying that, like the great mystics of all the ages, he has been granted a direct insight into the nature of ultimate reality and thus is privileged to remodel not only the future but also the past. Humble people like myself who have never come face to face with Ultimate Truth are scarcely equipped to contradict him.

Yet there were times when I wanted to stand up in Mr. Huxley's church and shout, "Go read a book!" For example, when he said that the iron dictatorship of the Jacobins destroyed the French Republic by leading to foreign war and reaction at home—when he blamed Danton and Robespierre for every misfortune of the twentieth century, including conscription, Hitler and quite probably the sack of Nanking—then I felt like referring him to any

[1] Ends and Means, by Aldous Huxley. New York: Harper and Brothers. 386 pages. $3.50.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

honest and scholarly history of the French Revolution, whether radical, conservative or middle-of-the-road. The foreign wars began on April 20, 1792. The reaction at home had begun much earlier but, in the spring of 1793, it led to the revolt of the Chouans and the treachery of Dumouriez. It was then and only then that the Convention passed a law creating the Committee of Public Safety. The iron dictatorship of the Jacobins was not the cause but the result of "foreign war and reaction at home."

Again, I felt like standing up in my uneasy pew to say that Huxley never discusses the general problem of ends and means (should we let a steer be killed in order to eat roast beef?) but only the special problem of whether fundamental reforms are possible without violence. Huxley says they are, and I hope that he is right. But he befogs and bedevils the whole issue by confusing non-violent resistance (as advocated by Richard Gregg) with non-violent non-resistance (as advocated by the Hindu mystics). He argues that insane asylums, prisons and colonial possessions have been vastly improved since keepers, wardens and *pukka sahibs* have been using less violence toward their charges. From this he deduces that the same non-violent methods can be used by France and Great Britain toward the fascist nations. But these nations are not imprisoned lunatics or convicted petty thieves or conquered Blackfellows. In effect, Huxley is saying that because dogs respond to petting, we should also approach tigers with a cheerible voice and empty hands.

There were other passages that almost brought me to my feet—especially the one in which Huxley misinterprets Baudelaire in such a fashion as to transform the terrible poet into a YMCA secretary lecturing on sex. But after all, I reflected, the wiser course was to sit the sermon through. There is no use pointing out his errors in mundane logic when Huxley is moving far above them, in the sphere of the ultimate entities. MALCOLM COWLEY.

The High Cost of Peace

The Final Choice: America Between Europe and Asia, by Stephen and Joan Raushenbush. New York: Reynal and Hitchcock-The John Day Company. 342 pages. $2.50.

THIS BOOK makes an important contribution to the current debate on American foreign policy by refusing to accept sweeping assumptions without critical scrutiny and by insisting upon a clear distinction between ends and means, between "what is" and "what ought to be." It presents a strong case against those ardent advocates of collective action who invite us to join in boycotts, sanctions or even joint naval demonstrations against aggressors, without troubling to find out whether the particular means at hand will lead to the desired end, or produce some totally different result. But it also avoids the fallacy of those isolationists who confuse "neutrality" as a means with "peace" as an end.

This is not to say that Stephen and Joan Raushenbush do not have a thesis of their own, or that they profess to be without bias. As former members of the staff of the Senate Munitions Committee, they are familiar with the documentary record of our last crusade to make the world safe for democracy and are sharply critical of that distinguished company of Americans who would salvage peace and democracy in 1938 by "choosing the road most resembling our choice in the days of the World War." They recognize that 1938 is not necessarily 1914; they are not blind to the menace of fascism, and they are quite ready to examine the proposition that the United States must join the "peace-loving democracies" of the world in order to stop the "treaty-breaking dictatorships."

But before we enlist in another crusade they suggest that there are certain questions we ought to ask—and to answer: Why the last effort, for example, was such a barren and bitter disappointment; whether the line between capitalist democracy and dictatorship is really as wide as we would like to believe; whether the aims of our democratic allies are identical with our own, or even more compatible with true democracy; whether "moral commitments" can be made without implying a great deal more; whether democracy can be imposed by war, or be maintained "even within the home boundaries of the nations fighting in its name."

The answers here assembled from the history of the past two decades are not reassuring. "Saving democracy," the authors observe, "is something more than knocking down a bully and then going home." As Stresemann and Bruening discovered to their sorrow, the victors in the last crusade were more concerned with "putting their competitors out of business" than in salvaging democracy in Germany. What may be expected from capitalist democracies was nicely demonstrated in Manchuria, Spain, Ethiopia and China. When oil sanctions against Mussolini confronted the British ruling classes with the spectre of war and possible revolution in Italy, the sacrifice of British prestige seemed less dangerous to the Tories than the risk of Bolshevism.

Our own experience in the fateful years from 1914 to 1918, reviewed in four illuminating chapters, affords small comfort to liberals and converted pacifists who hope that a show of force can prevent war or who believe that war can preserve democracy. The draft of man power and labor in our industrial-mobilization plan for the next war gives ample support to the contention of the Senate Munitions Committee, cited by the Raushenbushes, that "the price of war may be actual, operating dictatorship, under military control, in this country."

All this, it may be said, simply begs the question of whether, even at this late date, a strong united front might not check the aggressors and thus preserve peace. The Raushenbushes' reply is that the democracies are faced with three choices: "They can unite to destroy the dictatorships of Italy, Germany and Japan by war. They might succeed, after some years. Or they can yield to them still further, until they no longer have the power left to stop yielding. Or they can come to some arrangement with them which will end definitely their threat to the peace of the world."

The United States may have another choice, that of staying out; but there is no certainty that we can keep out by single-handed action and no evidence that the American people are prepared to pay the price of reorganizing their domestic economy. If we really want to prevent war, we must do more than coöperate to preserve the *status quo*. The plan which the authors present in the form of "A Contract for Peace or War" will be called impractical and utopian. It calls for a hard-and-fast agreement among the seven great powers—including the democracies and the Soviet Union, Germany, Italy and Japan—for a period of twenty-five years. It provides for complete stoppage of all trade with any violator of the pact, gradual reduction of tariff barriers, international control of colonies, loans to Germany, Italy and Japan to help them transfer from an armament economy to peace production, currency stabilization, access to raw materials, a disarmament agreement and enforcement by an international control board.

This should be a reasonably sensible outline for international capitalism. The fact that it is regarded as impractical and utopian is a frank confession that the price of peace is too high. WILLIAM T. STONE.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE

January 19, 1938

Glamor Girl

Cleopatra, by Emil Ludwig. New York: The Viking Press. 342 pages. $3.50.

MR. LUDWIG writes like a lover singing the praises of a selfish and unscrupulous ess; the more he rhapsodizes, the more the poor fellow could be brought to account the Serpent of the Nile. centered but stupid. In return she got from Caesar some additional trade; from Antony for territory on some famous river not honored. As a queen, her only purpose was to hold the first Caesar she could and the Egyptian throne for the Ptolemaic dynasty, which she failed. In her foreign alliances she had an unfailing instinct for picking the wrong protectors. The black row could give her proof of his virility after Cleopatra had ensnare Antony—apparently a squandered out the treasury of Egypt

All this is not to say that Producer Ludwig is not kind to his star. On the contrary, he has written his scenes to give her the best possible background and lighting. The incidental material—the death of a republic, how it was brought about, by whom it was engineered—does credit to the author as a popular historian; and the supporting cast—Julius Caesar, Antony, Fulvia, Octavian, Brutus, *et al.*—is properly adapted to play up the brilliance of the star. But with all its evidence of research, and all its information about a historical epoch worth current study, Mr. Ludwig's story of the famous beauty is still a disservice to romance.

B. E. BETTINGER.

Working Players

Players at Work: Acting According to the Actors, by Morton Eustis. New York: Theatre Arts. 127 pages. $1.50.

BESIDES an essay by Madame Lotte Lehmann on her experiences and ideas and relationships in her singing career, this book comprises interviews with eight of our notable players, discussions of how they approach a role, digest it, turn it into their own or themselves into it. Helen Hayes, Alfred Lunt, Lynn Fontanne, Nazimova, Katherine Cornell, Ina Claire, Burgess Meredith and Fred Astaire make up the list. The best of the interviews and the most difficult to record is that with Fred Astaire. Mr. Eustis has managed to convey a genuine sense of the dancing actor's reticence and intelligent candor. At the same time he has drawn a good picture of the mind and the method behind this figure in the moving pictures who has been able to organize and project the first successful presentation of dancing there. The least good is that of Lynn Fontanne. Her conversation among friends and her ideas about the theatre are sometimes keen to the point of brilliance, though not laid out as esthetic theory and though shy of seeming to think that words can truly express what acting alone can express. Doubtless this is just as well; it avoids some of the possibility of those discussions, usually very sad to contemplate, of artists trying to talk philosophy.

For those who like to think that once an actor always an actor is a true axiom, it may be amusing to note one point in which all these quoted here run true to form. Every one of them one way or another speaks of how they knew a certain performance they gave in a certain role was terrible; but none speaks of being always terrible in that role, which in some cases was undoubtedly true.

Mr. Eustis' part of the book is managed with a taste and breeding not common in such undertakings. The main shortcoming in the book's content is with regard to conceptions. There is little mention of what must underlie the creation of any role, which is to say, the conception of the elements present in it. For example, what is the conception of naïveté, or jealousy, or tragedy, or destiny, or what not, that will inform and fulfill the portrayal? Small mention is made of any recourse or need of recourse to poetry, music, history, literature, the visual arts, or profound human influences, as means by which the actor as artist qualifies what he brings to his art. What is involved in this point is what all artists alike draw upon—the common source. It involves the actor as artist. The actor's final significance depends most on that.

But the volume is entertaining, useful and informing, and achieves an engaging place for itself.

STARK YOUNG.

Religion and Society

Primitive Religion, by Paul Radin. New York: The Viking Press. 332 pages. $3.50.

THIS BOOK represents a significant addition to the body of works that deal with the nature of religion, though it suffers severely under some of its methodological assumptions. Its positive contributions are contained in the two points it stresses from beginning to end. One of these, the relationship between religion and other phases of culture, emphasizes the fact that religion is dependent upon, and hence cannot be studied apart from, its social and economic setting. The other point is even more important, and is crucial in the argument of the book—that every group includes individuals who, responding differently to the supernatural, manifest different degrees of religiousness, which leads in all societies to a distinction between layman and priest.

But just because these points are so important it is a pity that they were pressed as far as they have been. For the principle of the relationship between religion and everyday aspects of life, when extended so as to constitute an extreme economic determinism, loses much of its force. Similarly, the point of individual differences in religious tendencies, when advanced too far, becomes a caricature of itself. In addition to this, however, the serious defect in method found in the author's adoption of a kind of neo-evolutionism, is most unfortunate. It does not really matter whether one sets up "stages" of institutional development, as did the older anthropologists, or other progressions couched in psychological terms, as is done in this book. The first is no more supportable on the basis of historical evidence than the present hypothesis, which envisages the evolution of religion through several stages from a neurotic compulsive approach to the outer world, defined as magic, to a non-coercive relationship between man and his god that alone is held to constitute religion.

The book will undoubtedly be a stimulating challenge to those whose concern is with the study of religion; others are advised to put it aside until their background permits them to analyze its assumptions rather than yield to its persuasive logic.

MELVILLE J. HERSKOVITS.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Glamor Girl

Cleopatra, by Emil Ludwig. New York: The Viking Press. 342 pages. $3.50.

MR. LUDWIG writes like a lover singing the praises of a selfish and unscrupulous enchantress; the more he rhapsodizes, the more the listener wishes the poor fellow could be brought to his senses. From his account the Serpent of the Nile emerges as not only self-centered but stupid. Any Follies girl at the end of the back row could give her tips on how to trim a sucker. To hold the first Caesar she bore him a son, thereby giving him proof of his virility after he had begun to doubt it; to ensnare Antony—apparently a pushover anyway—she poured out the treasury of Egypt and the labors of her people. In return she got from Caesar uncertain protection and some additional trade; from Antony she got a check for territory on some famous river banks which was not honored. As a queen, her only purpose was to hold the Egyptian throne for the Ptolemaic dynasty, and she failed. In her foreign alliances she had an unfailing instinct for picking the wrong protectors.

All this is not to say that Producer Ludwig is not kind to his star. On the contrary, he has written his scenes to give her the best possible background and lighting. The incidental material—the death of a republic, how it was brought about, by whom it was engineered—does credit to the author as a popular historian; and the supporting cast—Julius Caesar, Antony, Fulvia, Octavian, Brutus, *et al.*—is properly adapted to play up the brilliance of the star. But with all its evidence of research, and all its information about a historical epoch worth current study, Mr. Ludwig's story of the famous beauty is still a disservice to romance.

B. E. BETTINGER.

Working Players

Players at Work: Acting According to the Actors, by Morton Eustis. New York: Theatre Arts. 127 pages. $1.50.

BESIDES an essay by Madame Lotte Lehmann on her experiences and ideas and relationships in her singing career, this book comprises interviews with eight of our notable players, discussions of how they approach a role, digest it, turn it into their own or themselves into it. Helen Hayes, Alfred Lunt, Lynn Fontanne, Nazimova, Katherine Cornell, Ina Claire, Burgess Meredith and Fred Astaire make up the list. The best of the interviews and the most difficult to record is that with Fred Astaire. Mr. Eustis has managed to convey a genuine sense of the dancing actor's reticence and intelligent candor. At the same time he has drawn a good picture of the mind and the method behind this figure in the moving pictures who has been able to organize and project the first successful presentation of dancing there. The least good is that of Lynn Fontanne. Her conversation among friends and her ideas about the theatre are sometimes keen to the point of brilliance, though not laid out as esthetic theory and though shy of seeming to think that words can truly express what acting alone can express. Doubtless this is just as well; it avoids some of the possibility of those discussions, usually very sad to contemplate, of artists trying to talk philosophy.

For those who like to think that once an actor always an actor is a true axiom, it may be amusing to note one point in which all these quoted here run true to form. Every one of them one way or another speaks of how they knew a certain performance they gave in a certain role was terrible; but none speaks of being always terrible in that role, which in some cases was undoubtedly true.

Mr. Eustis' part of the book is managed with a taste and breeding not common in such undertakings. The main shortcoming in the book's content is with regard to conceptions. There is little mention of what must underlie the creation of any role, which is to say, the conception of the elements present in it. For example, what is the conception of naïveté, or jealousy, or tragedy, or destiny, or what not, that will inform and fulfill the portrayal? Small mention is made of any recourse or need of recourse to poetry, music, history, literature, the visual arts, or profound human influences, as means by which the actor as artist qualifies what he brings to his art. What is involved in this point is what all artists alike draw upon—the common source. It involves the actor as artist. The actor's final significance depends most on that.

But the volume is entertaining, useful and informing, and achieves an engaging place for itself.

STARK YOUNG.

Religion and Society

Primitive Religion, by Paul Radin. New York: The Viking Press. 332 pages. $3.50.

THIS BOOK represents a significant addition to the body of works that deal with the nature of religion, though it suffers severely under some of its methodological assumptions. Its positive contributions are contained in the two points it stresses from beginning to end. One of these, the relationship between religion and other phases of culture, emphasizes the fact that religion is dependent upon, and hence cannot be studied apart from, its social and economic setting. The other point is even more important, and is crucial in the argument of the book—that every group includes individuals who, responding differently to the supernatural, manifest different degrees of religiousness, which leads in all societies to a distinction between layman and priest.

But just because these points are so important it is a pity that they were pressed as far as they have been. For the principle of the relationship between religion and everyday aspects of life, when extended so as to constitute an extreme economic determinism, loses much of its force. Similarly, the point of individual differences in religious tendencies, when advanced too far, becomes a caricature of itself. In addition to this, however, the serious defect in method found in the author's adoption of a kind of neo-evolutionism, is most unfortunate. It does not really matter whether one sets up "stages" of institutional development, as did the older anthropologists, or other progressions couched in psychological terms, as is done in this book. The first is no more supportable on the basis of historical evidence than the present hypothesis, which envisages the evolution of religion through several stages from a neurotic compulsive approach to the outer world, defined as magic, to a non-coercive relationship between man and his god that alone is held to constitute religion.

The book will undoubtedly be a stimulating challenge to those whose concern is with the study of religion; others are advised to put it aside until their background permits them to analyze its assumptions rather than yield to its persuasive logic.

MELVILLE J. HERSKOVITS.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

International Exhibit

The Best British Short Stories: 1937, edited by Edward J. O'Brien. Boston: Houghton Mifflin Company. $2.50.

O. Henry Memorial Award Prize Stories of 1937, edited by Harry Hansen. New York: Doubleday, Doran and Company. $2.50.

The Pieces of a Fan, by Vincent Sheean. New York: Doubleday, Doran and Company. $2.50.

The Wound and the Scar, by A. B. Rotor. Manila: Philippine Book Guild. $1.

CRITICIZING Mr. O'Brien is like fighting the famous battle with Tarbaby—every straight punch sticks and leaves you more helpless than before. This is because most of the stories he chooses neither merit real praise nor deserve real blame; they are written with sincerity, care and, above all, a neatness and restraint that fit them like a standard uniform. They manage to be true to life and, simultaneously, to be without vitality; they reveal the workings of the human mind, but as plainly as if it were the mechanism of a Baby Austin. The trouble is partly Mr. O'Brien's liking for a static subject—one that can be taken to pieces and reassembled neatly, with no confusion or pieces left over. Walks in the park; a bus-excursion; incident in a restaurant; a little boy who cried; a young man who posed —the authors describe it all with an exactitude and emotionless disinterest that arouses only a so-what? in the reader. As a result there are only about five stories in this collection that leave behind a feeling of creative energy, and it is significant that none of these is either a cross-section of everyday life or dependent for its quality upon "abnormal" or bizarre subject matter. H. E. Bates's race against time between the cutting of the barley and the cloudburst; Rhys Davies' drunken Welshmen carrying a corpse to the cemetery; V. S. Pritchett's hoboes on a night march; John Morley's study of a concentration camp and Douglas Boyd's Romany tragedy—these are real stories chiefly because their writers rate the spirit above the word.

Harry Hansen's collection makes one wonder if some of the blame should not be lifted from Mr. O'Brien's shoulders and placed upon English short-storyists as a whole. For the contrast between the two anthologies is very great: while the English writers seem willing passively to accept, and to identify themselves with, petty themes, most of the Americans reject the short story as a medium for describing the most insignificant human weaknesses. They look farther and deeper and handle even the most depressing material with a narrative vigor and self-confidence. In this collection the first and second prize-winning stories, by Stephen Vincent Benét ("The Devil and Dan'l Webster") and Elick Moll respectively, are dubious choices in view of the high general standard; the third prize-winner, Robert Coates's psychosexual study "The Fury," is almost a model short-short and equaled in power only by J. M. McKeon's "The Gladiator." Of the rest there are James Still, Jesse Stuart, David Thibault, R. P. Warren and C. Martin covering the South excellently, and two good ones by Nancy Hale and Benjamin Appel on immigrant life. On the whole an excellent collection with few weaknesses.

Most of Vincent Sheean's stories are about Europe and tend more to Mr. O'Brien's taste than to Harry Hansen's. They are studies of spinsters abroad, of psychological clashes between intimates, and sketches of social climbers, professors, musicians and other semi-eccentrics. To call them "further proof . . . of Vincent Sheean's amazing literary genius" is just another of the absurd disservices done to an author by his publisher: the stories are well written in the sense of their being neat and complete, but none of them can be said to add at all to the author's reputation.

The final batch comes from the Philippines. Mr. Rotor's is the first volume to be published by the Philippine Book Guild. His stories are of two kinds: studies of Philippine life, and semi-autobiographical products of his work as an interne in a prison hospital. In the first group nearly every story is clogged with sentiment and nostalgia, but the second group has very different stuff. The descriptive passages are clean and effective, and while there is still a dependence upon syrupy injections the work as a whole is far more mature. It can be taken as a promising sign that this second group contains Mr. Rotor's more recent stories.

RICHARD VAUGHAN.

—And Other Fiction

Down the Dark Street, by Jessie Fenton. Boston: Houghton Mifflin Company. $2.50.

THIS PARTICULAR street leads Lonny, aged fourteen, out of a squabbling family, through an effective apprenticeship for delinquency, past reform school and more dereliction, into courtroom and prison, and finally on to the inevitable dead end. Miss Fenton handles the record with apparent familiarity, neither sensationalizing the sordid aspects of Lonny's degradation nor straining the note of pathos in its more sickening moments. She employs, however, a rather unimaginative prose which projects Lonny as a pathetic youngster, diffident, appealing, genuinely muddled —but otherwise unidentifiable; once you understand his waverings between moral scruples and swaggering defiance, you have plumbed his depths. It may be noted that within a day of this book's publication, Ernest Raymond's "The Marsh" appeared, in which Lonny's English counterpart followed an almost identical pattern in going wrong, with such similar motifs as the death of the heartbroken mother, the vindictive bluster acquired in prison, the sister's resentment against a jailbird in the family, the thick-skinned ineptitude of police officers, the self-respect derived from lawlessness, the encouragement of a reckless mistress, even the unpremeditated shooting of a policeman. There would be little point in mentioning this resemblance if it did not emphasize so sharply how well traveled Miss Fenton's street is in current novels, and how, consequently, it needs the added stimulus of inventive design or density of characterization to remain as moving as it should be.

MIRIAM BORGENICHT.

Imperial City, by Elmer Rice. New York: Coward-McCann. $3.

You won't find any perceptible carryover from Elmer Rice's more solid achievements in the theatre in this wooden study of contemporary New York. In the main it is the portrayal of a powerful banking family (the Colemans) seen in the climactic months of its disintegration: the actress mother, Fanny, driven insane by drink; Christopher, titular head and trustee of the family fortune, who inherits his mother's weakness; Gregg, wastrel sportsman, at the end a murderer; Corinne, decent but unhappy; Gay, intellectual and liberal near-hero of the book who has turned from them all to something like the good life. Through these people, Mr. Rice reaches out to encompass and interrelate all sorts of characters, from Hollywood actors and writers to brothel operators and lonely stenographers. But the characters wait for Mr. Rice to push them around and confront

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

New Books: A Reader's List

NOTES ON A DRUM: TRAVEL SKETCHES IN GUATEMALA, by Joseph Henry Jackson (Macmillan; $3). An account of Guatemala today which will probably please President Ubico and the United Fruit Company more than the natives, but worth while for its word and camera pictures of magnificent country and an ancient people.

A SON OF SCOTLAND, by R. H. Bruce-Lockhart (Putnam's; $3). The wanderer of "British Agent" and "Retreat from Glory" succumbs to "the nature of the Gael to regret the vanished days." Seventeen years of youth in the Scotland of fifty years ago, with nostalgic comparisons between the old and new life, and an abundance of personal detail that is saved from tediousness only by brilliant writing and humor.

VERTIGO, by Lynd Ward (Random House; $3). About the size and shape of a novel, covering about the same material as a very simple novel, this is another experiment in telling a story in woodcuts. The action is clear and runs rapidly; the cuts do the job of workmanlike prose; the social moral, like the reproduction, is in black and white.

WINTER IN APRIL, by Robert Nathan (Knopf; $2). One more Robert Nathan. A simple quiet account of an aging and observant writer, a German emigré and a Budding Girl.

Contributors

LEO HUBERMAN is the author of "We, the People," "Man's Worldly Goods" and "The Labor Spy Racket." He is now working on a history of the trade-union movement in the United States.

LIN YUTANG is the author of "My Country and My People" and of "The Importance of Living," the December choice of the Book-of-the-Month Club.

HAROLD M. GROVES, former member of the Wisconsin Legislature and of the Wisconsin Tax Commission, is professor of Public Finance at the University of Wisconsin.

CHARLES A. BEARD has written numerous books and articles on history, economics and politics, particularly in the field of American history. His latest book was "The Discussion of Human Affairs," published by Macmillan in 1936.

WILLIAM T. STONE is vice-president and Washington representative of the Foreign Policy Association.

B. E. BETTINGER, a member of the staff of The New Republic, has contributed book reviews to The Nation, The Saturday Review of Literature and The New York Herald Tribune Books.

MELVILLE J. HERSKOVITS is professor of Anthropology at Northwestern University. He has done extensive field work in Dutch Guiana, West Africa and Haiti.

RICHARD VAUGHAN is a young Englishman who has written and translated for a living both at home and in this country, where he is now living.

MIRIAM BORGENICHT, a recent graduate of Barnard College, is free-lancing in New York City.

The initials signed to the brief reviews are those of Harold Ward, Miriam Borgenicht, James Broughton, Robert Morss Lovett and Harry E. Wedeck.

LENIN MEMORIAL MEETING

Wednesday, Jan. 19th at 8 P. M.

MADISON SQUARE GARDEN,

50th St. & 8th Ave.

Chairman:

JAMES FORD

Speakers:

ROY HUDSON
MOTHER BLOOR
ISRAEL AMTER
ELIZABETH GURLEY FLYNN

Entertainment

A Short Play
"TODAY IN AMERICA"
Chorus of 200 Voices
"DANCE OF ALL NATIONS"
ANNA SOKOLOW *and Group*

Admission:

25¢, 40¢, 75¢, $1.10

Tickets at all Workers Bookshops and Lehlang, 43rd Street and Broadway

Auspices

New York State Committee Communist Party

COLUMBIA PRESS

In 1937 thousands gained free admission to shows, sports, expositions, backstage, etc., on press cards. Join Columbia Press today! Send $1 for new 1938 press membership and receive free press card. *Excellent opportunity for amateur journalists.*

Complete details with membership

COLUMBIA PRESS
Reedurban **Canton, Ohio**

PENSION

LIVE IN UNIQUE PENSION of French woman just arrived in New York. Genuine furniture, cuisine, atmosphere and charm of France. French spoken, reasonable, references. AC. 4-0215.

INTERIOR DESIGNERS

MODERN INTERIORS FOR PROGRESSIVES. Offices, Apartments, Shops planned and executed on a budget. Featuring specially designed upholstered easy chair $25.75. DESIGN-FOR-USE, 149 E. 34th St. Hours 12-2 and 5-4, or call VA 2-4658 for appointment.

LANGUAGES

SPANISH, FRENCH, RUSSIAN, ITALIAN, etc. Rapid-coverage Courses. Private, Group. Phone Sets. Booklet R on request. LANGUAGE SERVICE, Lewis Bertrand, Director, 507 5th Avenue (42nd Street). MUrray Hill 2-4221.

SPANISH LESSONS, conversational, business and literary, at your own home. Experienced teacher, Spanish born, university graduate. Price moderate, special rate for classes. Telephone for appointment, CHelsea 3-3117, between 5:30 and 6:30.

ORANGES FOR SALE

TREE-RIPENED INDIAN RIVER
Oranges and Grapefruit
Direct from our grove to you
55 lb. Basket—$3.25
We pay express east of Mississippi
Satisfaction and safe arrival guaranteed
Write for price list and folder
T. R. INDIAN RIVER ORANGE CO.
Cocoa, Florida
Our 11th Year — Serving 9,000 Customers

DISCUSSIONS

The Round Table

(For men and women of finer taste.) Around a steaming samovar. **MAX FISHLER,** editor of "The Cultural Journal," will lead us in a discussion on **"Phases of Philosophy"** this Sunday evening, 8:30 P.M.—Music, 46 W. 83rd St. TR. 7-4042. Admission, $1.00.

DR. PENNINGTON HAILE will speak on: **"FORCES OF WAR vs. FORCES OF PEACE,"** on Tuesday evening, Jan. 18th, at 8:30 P. M., at 2 W. 86th St., at **THE GROUP,** Social Hour—Refreshments. Admission, 50 cents.

LITERARY HELP

THESIS WORK, RESEARCH PAPERS. Special Articles, Addresses, promptly prepared to requirements of busy professionals. Our extensive experience available at moderate rates, with assurance of scholarly serviceable results. Over twenty years' consistent service to patrons. AUTHORS RESEARCH BUREAU. 516 Fifth Avenue, New York.

CRITICISM, EDITING, REVISION GHOST-WRITING. Stories, articles, theses, books. Experienced consultant to writers. Excellent credentials. Address: Box 42, The New Republic.

HELP WANTED

SEVERAL POSITIONS OPEN in national, non-political, propaganda organization for experienced organizer, financial secretary, and executive. Give experience, references, salaries. Address: Box 50, The New Republic.

WANTED

THOSE SPARE HOURS of people who'd like to put them to good use. Interesting, important work for volunteers in research and office. Write to American Civil Liberties Union, 31 Union Square West, N. Y. C.

OFFICE SPACE FOR RENT

OFFICE SPACE (and use of small meeting rooms) available. Elevator service. Minimum rental. MU. 4-7862.

CORRESPONDENCE CLUBS

ARE YOU A DISCONTENTED COW, fed up with the same old bull of uninspired living? **CONTACTS** helps you escape the herd. 3c stamp. Box 91 Station D, New York City.

HAPPINESS CIRCLE, the best anodyne for the lack of camaraderie. Enclose stamped envelope for details. Dept. W. Box 107, Grand Central Annex, New York.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED